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Moscow's CIS Policy Changes Assessed

954F1330A Moscow NEZAVISIMAYA GAZETA in Russian 9 Feb 95 pp 1-2

[Article by Valeriy Solovyey under the "Russia" rubric: "The Kremlin Is Gradually Changing Its Foreign Policy Strategy. This Is Indicated by the Outbreak of Moscow's Integration Activity"]

[FBIS Translated Text] In January the Russian leadership, which seemed to be occupied with the resolution of the Chechen problem exclusively, took a number of important steps in the sphere of integrating the post-Soviet space. Important agreements with Belarus and Kazakhstan were signed and have already begun to be partly implemented, and a meeting of Russian President Boris Yeltsin and Ukrainian leader Leonid Kuchma was held in Moscow.

The reasons that spurred the integration of Belarus and Kazakhstan are rather obvious: These are, first, serious economic problems, and for Belarus they are multiplied by its total dependence on the deliveries of energy sources from Russia; second, the presidents of these two countries ran into an acute internal political crisis, but in Kazakhstan it is further aggravated by increased ethnic tensions.

However, while Aleksandr Lukashenka and Nursultan Nazarbayev are realizing their long-standing and continuously declared aspiration for a closer union with their neighbor, the movement on the part of Russia to meet them halfway looks rather unexpected. In the course of the last half year, the Kremlin emphatically shunned both the Belarusian leader, who continuously emphasized his readiness for the boldest unifying initiatives and urged Russia toward them, and it also repeatedly, in a crude way, rejected the Kazakhstan leader's global integration plan.

What had changed by January 1995? What circumstances obliged Russia sharply to accelerate integration activity? Is it possible to say that Russia is going over to a new strategy in the "near abroad," or is this a strictly tactical maneuver?

The Political Context

Many analysts have predicted that the military operation in Chechnya will put an end to the prospects for reintegration of the post-Soviet space. But it is exactly the prolongation of the Chechnya "expedition," which almost certainly was planned as a blitzkrieg, that is forcing the Russian leadership to compensate for the serious failure in internal policy with effective steps in the foreign policy sphere (what is meant is the near abroad). Especially since the growing caution of the West with respect to the possible drift of the Yeltsin regime in the direction of an authoritarian government and, accordingly, the prospect of worsening relations between Russia and the West, force the Kremlin to find a counterbalance to this event. It cannot be ruled out that the Russian leadership is sending the West a signal through its reintegration activeness: Continue to support us, or we will start to restore the destroyed empire. The latter is viewed by the West as one of the main threats to its key interests.

The desire to avoid an interpretation of the war as the beginning of a conflict of civilizations and the fear of ethnic and religious ruptures inside the country compel Russia to strive for a "special" relationship specifically with the formally Turkic-Islamic Kazakhstan. If it is assumed that the strategic union of Russia, Belarus, and Kazakhstan started to be formed in January 1995, then, according to its socio-cultural and ethnic-religious parameters, it is essentially different from the Belovezh Agreement—this is not a Slavic, but a Eurasian union.

Very important circumstances also exist that are not associated with Chechnya. In taking steps to meet Belarus halfway, the president is playing on getting ahead of parliament, which proposes to conduct a joint meeting of the Russian and Belarusian parliaments in March. In a broader sense, Yeltsin is strengthening his position before an examination in the Duma of the question concerning the denunciation of the Belovezh agreements (the antigovernment opposition, after repeated attempts, succeeded in getting it on the agenda).

And, finally, it is possible that this is what is most important. The probability is very high that the acceleration of the reintegration processes constitutes the start of Yeltsin's preparations for the new presidential elections. Inasmuch as the question of the blame for the destruction of the USSR and the demand for reintegration will inevitably occupy a very important place in the course of the election campaign, then, by correcting the error of December 1991, the president of the Russian Federation knocks the ground from under his actual critics and potential rivals.

The Military Strategic Factor

After Chechnya, not only has the possibility of the expansion of the NATO bloc in an easterly direction increased significantly, but Russia's chances of preventing this have been reduced practically to zero. The threat of the appearance of NATO on the border of the former USSR provides an incentive to Russia to restore an integral defense infrastructure and to form a single military-strategic space. For the time being, only the first step has been taken in this direction—payment for the use of military bases and test ranges has been abolished—but the creation of combined armed forces under the aegis of Russia in the near future can already be seen.

Economic Motives

Agreements on a customs union and free trade without confiscations and restrictions will greatly promote the revival of the national industry of the three republics, although the effect of the implementation of these agreements for the Russian economy will obviously be ambiguous. On the one hand, Russia almost certainly will have to supply the noncompetitive and energy-intensive Belarusian enterprises with cheap energy sources. On the other hand, Russia consolidates control over oil and gas pipelines and other communications that cross Belarus and that are strategically important to it, and it retains the right to duty-free transit for energy sources—Russia's main export resource—to Central and Western Europe. In the Kazakhstan direction, Russia guarantees its participation in the development of the rich oil of the Caspian shelf and gas deposits in Karashaganak. It appears that in this case the greatest gain goes to the Russian fuel and energy complex, which is steadily and consistently establishing its strategic control over the oil and gas wealth and the pipeline system in the post-Soviet space. The formation of a single market on the territory of the three republics will put the conclusion of a payments union between them on the agenda (an agreement on the mutual conversion of national currencies has already been signed). In view of the considerable stability and strength of the Russian ruble in comparison with the Belarusian zaychyk and the Kazakhstan tenge, this will lead to the domination of the Russian monetary unit and the expansion of the incomparably stronger Russian financial capital. In a strategic perspective, Russia will not only tie the national economies of Belarus and Kazakhstan closer to itself (regardless of all of the efforts of the latter to weaken or disrupt this dependence, they did not succeed), but it will ensure the actual domination of Russian capital in them.

Russian-Ukrainian Relations

The meeting of the Russian and Ukrainian presidents did not become a "breakthrough" in the sphere of reintegration, and there are weighty reasons for this. Although Ukraine is in a no less disastrous economic situation than Belarus and Kazakhstan, and Kuchma has undertaken a prolonged political squabble with the Ukrainian parliament, in mutual relations with Moscow, the free hand of the Ukrainian president is seriously restricted by the mood of Ukrainian society. Accelerating a union with the "Muscovites" will undoubtedly cause a tearing away of Western Ukraine from authority, will lead to a split in Ukrainian society, and will provoke a serious political crisis in the republic.

It is probable that Moscow will also be afraid of including Ukraine in a "trilateral agreement." The economic costs of a close union with the latter look too demanding. It is one thing to supply cheap energy sources to a comparatively "small" Belarusian economy, and it is another thing to keep afloat the inefficient and noncompetitive Ukrainian industrial giant. The Russian locomotive can easily pull the Belarusian economy behind it, but will it also be able to pull the Ukrainian "coach"? And, indeed, to assist Belarus and Kazakhstan with the relative stabilization of their national currencies is far easier than to assist Ukraine.

However, integration tendencies are also growing in the Russo- Ukrainian relationship. The meeting of the managers of the Russian and Ukrainian border oblasts with the participation of the deputy prime ministers of both countries requires that their countries conclude a customs union. An agreement on the principles of trade and economic cooperation in 1995 proposes the establishment of Russo-Ukrainian oil refineries and timber processing complexes, the creation of joint financial groups and companies and transnational corporations, and also joint-stock facilities that represent a mutual interest. In exchange for the delivery of Russian energy sources and the postponement of payment settlements for state credits, Ukraine is opening up somewhat to Russian financial expansion.

Russia's New Strategy?

Thus, the reintegration activity of Moscow in January 1995 is the result of a number of factors that are both situational, incited by the war in Chechnya, and strategic. Inasmuch as their combination is of a dynamic and unstable nature, it is difficult to come to an unequivocal conclusion about whether or not the new Kremlin policy will become consolidated.

However, if the "trilateral agreement" begins to be put into practice, then this will signify a cardinal revision of the conceptual principles of Russian policy in the post-Soviet space on the part of Moscow. The opinion is widespread that the Kremlin never had a concept of behavior in the post-Soviet space, and that we were dealing with complete improvisation and situational reactions. But, actually, it is not that important whether it was conscious or spontaneous; Russia maintained a strategy of isolation, although also not without some substantial vacillations and deviations. This policy was cloaked in CIS declarations, and it alternated with sporadic flare-ups of activity in the defense of Russian military-strategic interests.

Russia sent a signal in January about its readiness to shift from an isolation strategy to an integration strategy. This in itself is already an event of principal importance. But it is no less important to understand exactly what type of reintegration Russia intends to implement. Although reintegration undoubtedly carries mutual advantages, it is hardly possible to talk about a "union of equals" with respect to the post-Soviet space. By moving to integration and assuming a significant share of its economic and financial costs, Russia, as the "trilateral agreement" shows, will probably try to consolidate and intensify its objectively dominating position in the economic and military spheres. It will lock in and partially subordinate adjacent economies and national currencies to itself, and it will take control of the system of defense of allies. For the latter, this will mean the infringement of economic and partly political sovereignty. But they objectively have no other way out.

This will not be either a reanimation of the Soviet empire or the revival of the Russian empire. Russia has no need to erase state borders or to consolidate the state-political structures of the new independent states. The Russian ruble and Russian energy sources will successfully replace the governor general or the secretary of the Communist Party. **This will be an empire of a "new" type, a "velvet" empire,** that establishes itself on the financial-economic and military dependence of the post-Soviet republics on Russia and, owing to this, that ensures the political hegemony of Russia in the post-Soviet space. It looks as if it is exactly this kind of objective that the present Russian leadership is setting for itself, and that it is exactly this type of reintegration that it intends to strive for.

ITAR-TASS Carries Press Review for 16 Feb

LD1602073795 Moscow ITAR-TASS in English 0531 GMT 16 Feb

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 16 TASS—The country is waiting for the annual message by President Boris Yeltsin to the Russian parliament, write many newspapers today. The ROSSIYSKIYE VESTI newspaper quotes a statement by Viktor Ilyushin, first assistant to the president, that the chief executive "summed up reform ideas of Russia's best thinkers" and that the Russian people will find a reply to a question of interest to all: What will Russia be like in future?

The IZVESTIYA newspaper claims that the message will be "another stage of evolution of Russian politics". The daily writes that the president will read out the message and then will make a reshuffling. Referring to well-informed sources at the State Duma (Russian parliament lower chamber), IZVESTIYA offers its own version of reshuffling in the top echelon of power.

It calls attention to Oleg Lobov, secretary of the Russian Security Council, who is at the top of the list. In the newspaper's opinion, the reason for Lobov's possible resignation is that he "became too powerful" and became dangerous for his colleagues.

Duma sources do not preclude a chance, the newspaper continues, that "the blame for Chechen setbacks will be possibly put on the Security Council secretary".

The topic of Chechnya goes back-stage. Most newspapers devote their articles to "peaceful days of Chechnya". IZVESTIYA, for instance, describes one "truce day" in Groznyy, which has become a long-awaited holiday for residents of that devastated city.

The KRASNAYA ZVEZDA newspaper devotes one of its articles to railway troops who work to restore a railway siding from Mozdok to Chechnya.

Colonel-General Anatoliy Golovnev, deputy commander-in-chief of land forces for training, expresses his ideas in the same newspaper about lessons of the Chechen crisis. On examining combat operations in Chechnya, he draws a conclusion: One must not train troops during warfare.

Leonid Shershnev, president of the National and International Security Foundation, raises the same topic in an interview with the TRUD newspaper. "The main drawback of our generals and politicians, responsible for the solution of geopolitical and security problems has remained intact," he notes.

"They profess, as before, 'missile-bombing thinking' in direct and indirect meaning of this phrase," he stresses.

ROSSIYSKIYE VESTI invites its readers to discuss taxation problems. It features statements by businessmen, farmers, representatives from the finance ministry and regional leaders. They claim that the taxation system does not stimulate production and entrepreneurial activities. It is impossible to achieve positive changes in the economy without changing the taxation system, the newspaper stresses.

"Struggle against inflation is a priority task of the government," writes Russian Economics Minister Yevgeniy Yasin in ROSSIYSKAYA GAZETA. He says in an interview with the newspaper: "Another task is to continue the course for liberalisation and formation of relatively new prices, capable of raising efficiency of the Russian economy."

However, Sergey Dubovsky, staff member of the system analysis institute, writes in the NEZAVISIMAYA GAZETA newspaper that there is another way of pulling out of the crisis as soon as possible and of starting stable development: through movement to equilibrium where key factors are balanced as well as through legitimate formation of private property out of savings invested in the national economy.

However, "resistance of right-wing and left-wing radicals" separates the country from this way.

Yeltsin To Oppose NATO Expansion Eastward in Address

LD1502171195 Moscow ITAR-TASS in English 1625 GMT 15 Feb 95

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow February 15 TASS—President Boris Yeltsin's opposes a speedy NATO expansion to the east and will outline the position in his Thursday [16 February] address to the national legislature, a well-informed source in the Kremlin told TASS on Wednesday.

"The president believes that such an expansion would be detrimental to joint efforts in creating a new model of genuine pan- European security", the source said.

"Boris Yeltsin does not want Europe and the world to return to the old or new lines of division and believes NATO has no grounds to build on Russian western frontiers a structure allegedly aimed to defend East European countries because Moscow has no 'black thoughts'" regarding them, the source stressed.

To Criticize Military for Chechnya Violations

LD1502162195 Moscow ITAR-TASS in English 1610 GMT 15 Feb 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow February 15 TASS—Russian President Boris Yeltsin will criticise the military for human rights violations and numerous casualties in Chechnya in his annual address to parliament on Thursday [16 February].

"The president sees the reason for big human casualties sustained during the disarming of bandit formations in a hackneyed system of planning the military operation an uncoordinated activities of the power ministries", a well-informed source in Kremlin told TASS on Wednesday said. [sentence as received]

"Boris Yeltsin will acknowledge that human rights are being violated during the Chechen settlement because the state is not ready for efficient power actions", the source said.

"The president intends to assure the citizens that, after an analysis of all aspects of the Chechen anomaly, corresponding decisions will be definitely adopted", the source added, but did not disclose whether the decisions mean a reshuffling of the defence, interior and counter-intelligence ministers who were responsible for the Chechen operation.

U.S. Trying to Force Russian Out of Iranian Market

LD1502161995 Moscow INTERFAX in English 1449 GMT 15 Feb 95

[FBIS Transcribed Text] Moscow, Feb 15 (Interfax)—"It is not concern about nuclear non-proliferation but economic and political interests" that makes the U.S. demand that Russia halt construction of a nuclear power plant in the Iranian town of Bushehr, a high-ranking staffer of the Russian Foreign Ministry told Interfax today.

In his words, "the United States is ignoring the repeated IAEA confirmations that Iran does not have a hint of a military nuclear program. Iran is just not ready for it."

Russian-Iranian nuclear cooperation is done in strict correspondence with the Non-Proliferation Treaty which provides for free access to peaceful nuclear technologies for all signatories to the treaty. "The Americans prefer to ignore this quite evident fact," said the Foreign Ministry staffer.

He stressed that "the Americans are annoyed with any contacts between Moscow and Tehran. Attacks against our cooperation are very frequent. "Once in every six months Washington finds this or that pretext to stir up the world public with another revelation about a harmful effect of Russian-Iranian cooperation."

"Such tricks by Washington have two pragmatic goals. Firstly, the Americans are using the 'Iranian threat' to reserve their own military presence in the Persian Gulf. Secondly, Washington is perfectly aware of the fact that the Iranian market, including the arms one, is extremely promising. Naturally, the Americans would like to gain the market back in the future and, at the same time, force competitors, primarily Russia, from Iran," said the diplomat.

Kozyrev To Discuss FRY With Owen, Stoltenberg, Milosevic

LD1502153695 Moscow ITAR-TASS in English 1508 GMT 15 Feb 95

[By ITAR-TASS correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 15 TASS—Russian Foreign Minister Andrey Kozyrev will meet international Yugoslav mediators Lord Owen and Thorvald Stoltenberg on Thursday [16 February] and will travel this weekend to Belgrade to discuss the settlement in former Yugoslavia with Serbian President Slobodan Milosevic.

Owen and Stoltenberg arrive in Moscow today and their meeting with Kozyrev "will be held in the framework of regular contacts between the mediating parties and will be aimed at the further search of a peaceful settlement of the Yugoslav conflict", Russian Foreign Ministry spokesman Georgiy Karasin told TASS on Wednesday.

Kozyrev himself told reporters on his way back from Sweden that his trip to Belgrade is to take place on Saturday and Sunday and "aims to ensure a rapprochement of positions of the sides involved in the conflict in former Yugoslavia in the context of efforts undertaken by the international Contact Group".

To Meet Milosevic, 'Rescue' Bosnia Truce

LD1502180095 Moscow INTERFAX in English 1731 GMT 15 Feb 95

[From the "Diplomatic Panorama" feature: By correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov]

[FBIS Transcribed Text] [Russian Foreign Minister Andrey] Kozyrev said that the purpose of his working visit to Belgrade, possibly on the week-end, and a meeting with Serb President Slobodan Milosevic was to rescue the truce in Bosnia-Herzegovina.

Kozyrev said the purpose of his visit would be to make everything possible for the present armistice in Bosnia-Herzegovina not to end with a military catastrophe. He said he would try to convince the conflicting parties proceeding from the position of Belgrade.

He said the armistice should be used for developing the peace process.

Kozyrev said that the contact group on Bosnia was working on numerous initiatives proposed by Russia, West European countries and Americans and that the group would go to Belgrade Wednesday to submit these proposals to Milosevic.

Kozyrev explained that he would try to have a Russian-Serb and Russian-Yugoslav dialog with Milosevic.

Kozyrev said he believed that the decision of Zagreb not to extend the mandate of the UN Defense Forces would not necessarily result in all peacekeeping contingents leaving ex-Yugoslavia.

He said the single mandate of the UN forces could be divided.

At the same time, Kozyrev did not rule out that Zagreb could review its position on the peacekeeping troops remaining in Croatia. He said if the peacekeepers left this could only led to bloodshed and deterioration of the situation.

Kozyrev said he was in favor of holding an international conference in ex-Yugoslavia.

However, a source close to Kozyrev said the forum at which Yugoslavia, Croatia and Bosnia were expected to declare mutual diplomatic recognition was unlikely to take place.

The same source said that official recognition of other countries by Belgrade would mean a refusal from the idea of creating "great Serbia" which Belgrade was unlikely to accept.

However, the same source said that Belgrade could agree to participate in the conference in exchange for suspending the international sanctions against it.

Kozyrev on UK's Role, Yeltsin as 'Chief' of Reforms

LD1502213695 Moscow Russian Television Network in Russian 1700 GMT 15 Feb 95

[From the "Vesti" newscast; report by correspondent Ye. Kuznetsova, with recorded remarks by Foreign Minister Andrey Kozyrev]

[FBIS Translated Text] [Kuznetsova] Andrey Kozyrev made a working visit to Sweden today (15 February). The minister described his meeting with his British colleague [British Foreign Secretary Douglas Hurd] as productive.

[Kozyrev] Hurd and I could probably be called old residents nowadays. He is the oldest of the ministers. Everyone else is new. But I've been working with Hurd since 1991. That is to say that he and I have been together a long time now. [literal translation "we've eaten a pound of salt together"—Russian proverb]

[Kuznetsova] Kozyrev yet again came away convinced that British diplomacy possesses great potential in the search for a central position.

[Kozyrev] It isn't that we and the United States have need of an intermediary, but it is very important that a friendly power, so to speak, helps out in the middle in the search for those points of contact.

[Correspondent] Inevitably, the subject of Chechnya came up in the course of the conversation with Hurd. The west is placing great hopes upon the president's message. Andrey Kozyrev is convinced that Boris Yeltsin's address tomorrow should disperse the doubts of those who see the Chechen crisis as a detonator for sending Russia into reverse. There are expectations that the president's message will confirm that Russia will not turn to dictatorship or come under the domination of one of the power bodies.

[Kozyrev] The president has been and remains the chief guarantor and chief engine for the reforms. I think that the message will not disappoint you in that respect.

Kozyrev Denies Resignation Rumors, Views Offer on Kurils

LD1502175895 Moscow INTERFAX in English 1730 GMT 15 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—Russian Foreign Minister Andrey Kozyrev dismissed rumors of his resignation. He said so answering an Interfax question on a Stockholm-Moscow flight.

The rumors of his possible resignation emerged following the publication of extracts from his book by Russian newspapers.

Kozyrev said that the book had been off the press and would soon be available in book stores.

He said that the title of his book was Transformation and it was about Russia changing from a totalitarian state into a normal great power. It was an essay about Russia's role in the history and its destiny.

The Japanese public took a negative view of the reports in the extracts of Japan offering former USSR through its president Mikhail Gorbachev and Russia through President Yeltsin $28 billion for the four South Kuril Isles.

Kozyrev explained that the Japanese officials had not shown their displeasure over these reports. He said that there was nothing anti-Japanese or new in the book. What is more, he added, Japan had a different government then and every reference to it in the book was couched in very respectful terms.

Kozyrev said that Russia had very good relations with the new Japanese Government.

Kozyrev Stands for 'Expanded Forumula' of NATO Partnership

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[By ITAR-TASS correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 15 TASS—"Russia is ready to return to relations with NATO which existed before last December when Moscow refused to sign an individual cooperation programme with the North Atlantic alliance. However, Russia would first like to get an answer why did its Western partners shift the emphasis from partnership to the expansion of the bloc", Russian Foreign Minister Andrey Kozyrev told TASS on Wednesday commenting on future Russian-NATO relations.

"In the existing situation it is necessary to find a new, expanded formula of developing the partnership with NATO which will take into consideration the Russian role in international affairs and the interest of Moscow to create such a system of European security which would not isolate it from the rest of the continent", the minister said.

"Russia will not accept a simplified approach and hastiness in NATO expansion", Kozyrev said on his way back from Stockholm where he met his British counterpart Douglas Hurd.

The minister said that in Sweden he drew "serious attention" to the necessity of an early commencement of the agreement between Russia and the European Union and of lifting discrimination barriers on the way of Russian goods to the West.

"The existence of such barriers impedes the promotion of new relations, creates a bad background for Russia and contradicts the talk about Western assistance to Russian reforms", Kozyrev said.

He positively assessed the current state of Russian-British relations and said a turn from "cold suspicion to interested and close partnership" had taken place in the last three years.

Premier Names A. Zverev To Hold Unofficial Talks With IMF

MK1502114095 Moscow KOMMERSANT-DAILY in Russian 15 Feb 95 p 1

[Report by Vladislav Borodulin: "Government Writes a Memorandum to the IMF. The Premier Chooses an Official At Large"]

[FBIS Translated Text] Andrey Zverev, a government support staff member who is not too well-known to the public (he is in charge of the economic department) is to play a rather important part in Russia's talks with the International Monetary Fund. By Viktor Chernomyrdin's directive, he has been authorized to conduct unofficial talks with this organization. The relations of trust the premier struck with Zverev make it possible to assume that the latter is going to speak on behalf of the head of government and nobody else's.

A "technical break"—this is what officials call the pause in the talks between Russia and the IMF that began in early February. Deputy Economy Minister Andrey Vavilov, addressing the 8 February Council of Ministers sitting, stated that it is necessary for the government to submit to the IMF leadership by the end of the month a declaration of intentions in the area of economic policy—an analogue of the four memorandums that the authorities submitted in the past. In his words, the IMF has nothing against the authorities' financial policy, only doubting the purity of the foreign economic intentions. This primarily implies real rather than formal liberalization of oil export. As for the remaining differences, they are not of a fundamental nature, Yevgeniy Yasin thinks. Picking Andrey Zverev to conduct the unofficial talks (he sets off for Washington "under the roof" of an ordinary delegation of the State Statistics Committee) indicates, however, that things are not as bright as the leadership of the Finance Ministry and the Economy Ministry are trying to paint.

First of all, that the premier has picked Zverev is no random occurrence—the chief of the economic department of the government apparatus is reputedly one of the head of government's most trusted men (it is to be recalled that he was one of the organizers of Chernomyrdin's "program" address in the Economy Ministry). As for Zverev's mission itself, it obviously does not signify a change in the "team" (for the time being, at least). The work on the memorandum is being done, as before, by the Economy and the Finance Ministries, whereas Andrey Zverev is most likely to convey its text to the IMF and the World Bank leadership. But not only that.

Experience shows that Russia has not even once fulfilled all of its obligations to the IMF. True enough, this has not been an obstacle in getting credits. However, the Russian Government habitually resorts, in addition to the memorandum sanctified by the premier's signature, to verbal assurances to IMF officials—something Andrey Zverev is supposed to do.

Most certainly, he is supposed to make even stronger the ultimatum emphasis of Yevgeniy Yasin's latest statements: "If the IMF provides no credits, we will have to abandon the tough fiscal policy." Strange as it is, the Federation Council's passing of the law on raising the minimum wage could even play a positive role—the president's veto (it would most probably follow) would once again accentuate the unbearably difficult conditions in which the reform guarantors—Boris Yeltsin and Viktor Chernomyrdin—have to work. Besides, Zverev is supposed to make Washington experts "understand" the situation in the country which forced Boris Yeltsin to sign an edict on the second stage of privatization in Moscow in direct violation of the promises of the last—September—memorandum: in it the government promised appreciably to liberalize operations involving plots of land. In the same way he is supposed to prove that it was technical reasons alone that prevented the government from acting on yet another promise by the authorities—to finally liberalize prices. True, Viktor Chernomyrdin may, before 25 February, arm his envoy with a weak but in fact the only trump card—to sign the long-ready decree lifting the still existing caps on profitability and trade surcharges.

Yerin, Albanian Counterpart Sign Cooperation Agreement

AU1502151495 Tirana TVSH Television Network in Albanian 1900 GMT 13 Feb 95

[FBIS Translated Text] An agreement of cooperation between the Albanian Interior Ministry and the Interior Affairs Ministry of the Russian Federation was signed in Moscow by Albanian Interior Minister Agron Musaraj for the Albanian side and by Russian Interior Minister Viktor Yerin for the Russian side.

Minister Musaraj and his delegation were received by his Russian counterpart, Viktor Yerin.

During the meeting, they discussed problems of bilateral cooperation and expressed their readiness for relations between the two ministries to be augmented and implemented at the specialist level.

Joint Venture Signed for Slovak Nuclear Power Plant

LD1502133795 Moscow INTERFAX in English 1247 GMT 15 Feb 95

[FBIS Transcribed Text] Moscow, Feb 15 (INTERFAX)—Under the agreement reached during Russian Prime Minister Viktor Chernomyrdin's official visit to Bratislava, which ended on Tuesday, Russia, France and Slovakia are to set up a joint venture to complete the construction of the nuclear power plant in the village of Mochovcy near the Slovak-Austrian border.

Russia's Minister for Atomic Energy Viktor Mikhailov, who accompanied the prime minister during his official visit, said that Moscow was ready to allocate $150 million to the project. Out of this sum, $80 million constitute a bound and unbound credits and $70 million will be invested in the joint venture involving Russia, France and Slovakia on the basis of the Mochovcy nuclear power plant. France is to supply technological control equipment. Part of the equipment will be purchased from Siemens.

Mikhailov said that although the joint capital had not been distributed yet, each of the parties involved was likely to obtain a package amounting to one third of the shares.

In the estimate of the Russian Ministry for Atomic Energy, a total of about $400 million will be needed to complete the construction of the nuclear power plant. However, at the initial stage only the first unit, which is 80 percent completed, will be built. Subsequently, the income gained from the operation of the first unit will be used to complete the construction of the second unit, which is built halfway.

The surplus energy which will appear Slovakia after the construction of the nuclear power plant might be exported to Europe, said Mikhailov. He said that Russia annually exports $40 million worth of fuel and stable radioactive isotopes to Slovakia's nuclear power plant in Jaslovskiye Bogunice.

Political Issues

Yeltsin's Federal Assembly Speech

LD1602095195 Moscow Russian Television Network in Russian 0800 GMT 16 Feb 95

[FBIS Translated Text] Esteemed chairmen of the chambers of the Federal Assembly, esteemed deputies, a year ago the president's message to the Federal Assembly started our joint work. At that time we had to find a basis for establishing cooperation and interaction. Now, one year later, we can say that we have succeeded in that. The central idea of the president's first message to the Federal Assembly, which was the strengthening of the Russian state, received broad support both in Parliament and in Russian society. Last year, we managed to refrain from turning the Constitution into an issue of political struggle. A new tradition started to emerge in Russian policy, and mechanisms of interaction between the president, the Federation Council, the State Duma, and the government became operational. Russian society did not take the path of political extremism. The main part of the country's political forces and their leaders rejected extremist slogans and opted for legitimate and peaceful methods of political struggle. Last year support for slogans calling upon this or that territory to leave the Russian Federation noticeably declined. Illusions to the effect that one's problems could be solved in that way vanished. Thanks to joint efforts, the confrontation between Russia's legislative and executive authorities, which was the main threat to the country's life during the initial years of reform, has ended, for the most part.

We should resolutely say today that we have to speak with one voice and assess it together. We should work as much as needed in accordance with the Constitution. We should hold the next elections of the president and the State Duma on time. This my stance and this is our common duty before the electorate.

I want to thank the chairman of the Federation Council, Vladimir Fillipovich Shumeyko, the chairman of the State Duma, Ivan Petrovich Rybkin, and the chairmen of the committees and leaders of (parliamentary) factions, and deputies for their efforts aimed at establishing dialogue between the federal power structures. There have been and there will probably still be heated disputes and fierce discussions, but despite this, even at the most difficult times, reason and responsibility for the fate of the fatherland prevailed. We have to admit that not all the tasks stipulated in last year's message have been fulfilled. The legislative base is still lagging a long way behind the requirements of the modern Russia. We have made little progress in combatting crime. While we were addressing the economic problems, we couldn't make use of the favorable situation that have been created last summer.

There is something else I must mention: We have failed to ensure peaceful progress of change throughout the country. The conflagration of armed mutiny has not yet been put out in the Chechen Republic. Russian servicemen are carrying out their duty in most difficult conditions there, and people are still dying and suffering. I propose that we honor our dead compatriots by standing. [Video shows audience briefly standing in silence]

Esteemed deputies, some years ago Russia made a choice in favor of democracy and market reforms. It took hundreds of years for other states to cover this path and we are trying to cover it in a relatively short period of time. History placed us in a difficult situation: On the one hand, there is the eternal love of citizens of Russia for their fatherland while on the other hand, they reject the yoke of the lifeless state machine which over centuries suppressed the active life of the people.

The overcoming of totalitarian oppression has not diminished the alienation of society from authority. On the contrary, over the last few years the bureaucratic apparatus became aware that there was a lack of control over it. It tried to subject state institutions to its mercenary interests. This is the root of many of the troubles that we have come up against over the last few years. In resolving the tasks of the first message, we became convinced that there will not be a strong state unless all the institutions of power work efficiently.

We see just as before how strong the old technique of power is, which is based on political and ideological coercion. Just as before, the part played by the occasion, by subjectivism, is a big one in adopting state decisions; we see how strong the arbitrary rule of the authorities still is, both in the center and locally. All this is slowing down the rates of economic reformation and deepening the rift between society and authority. This is precisely why we are proclaiming as a priority our policy of boosting the efficacy of a democratic state, of making the work of all its institutions more effective.

Authority in Russia will only be effective when it becomes open, understandable and predictable, when it learns to react to people's pain, when modern technology, culture and democratic traditions are not left in the breach by the authorities as lacking in talent and conscientiousness, and finally when we can mobilize the gigantic potential of the Russian people and the natural resources, the potential of the freedom that we have gained.

The whole of state practice is in need of radical reformation, and first and foremost, the process of working out and adopting decisions, cadre policy. What we are talking about is the observation of laws and ethical standards by the representatives of state power, and of getting rid of corrupt persons in a decisive manner.

Many of us have been united by the goals proclaimed in the first message. It is clear to us what we have to do, but, irrespective of the aims set for society, the realization of them depends on the effectiveness of state power.

Therefore, without abandoning the previous objective of strengthening the Russian state on the basis of democracy and law, we must start fine-tuning the mechanisms of power. I am confident this objective will unite us in just the same way as the previous one. Such is the fundamental idea of the president's second message to the Federal Assembly, which will be received today by all participants in the joint session of the chambers.

Proposals made by committees of the Federation Council and the State Duma, deputies' factions, federal ministries and departments, courts, regional authorities, public and religious figures, independent specialists, and scholars have been taken into consideration during the preparation of the message. Naturally, not all the problems raised in the message can be resolved during the year, but I am confident that each new step forward will have an impact on the way people feel, on the general situation in Russia.

Esteemed deputies! Russia is experiencing complicated times, when resolute and, sometimes, tough measures to normalize life in the country are required. But they have nothing in common with high-handedness by the authorities. To cross the line beyond which high-handedness becomes systematic would be to open a direct route to the establishment of a police regime in Russia. The state has the utmost responsibility to ensure that such a development of events is not allowed to happen. That is precisely why there is no task more important than consolidating the prestige of law in our country. For decades, centuries even, lack of respect for laws, not just by citizens, but also by the authorities, has been a fact of life in Russia. Even now their (the authorities') representatives not infrequently transgress the law. That is precisely why it is essential to commence the utmost strengthening of the mechanisms of rule, within the framework of the law, to improve awareness of the law throughout society.

To this end it is necessary, first and foremost, to strengthen judicial authority, which is experiencing a profound crisis. Courts continue to operate in humiliating conditions. The judicial system lacks an integrated, legal basis. Courts are overloaded with lawsuits by many thousands of people. A human destiny hangs on each of them. Judicial authority is in acute need of assistance and support on the part of the Legislative and Executive Branches. Above all, its activities need be backed up with the necessary laws and personnel.

There are also criticisms to be made of the judges themselves. Judges' habit of passing unjustifiably lenient sentences on people who have committed grave crimes and sometimes even acquitting them arouses great concern. We have rushed from one extreme—when cases were weighted in favor of the prosecution—to the other. This is harmful in two ways. Criminals get off with a small fright, and employees of law enforcement agencies simply lose heart.

The application of the Constitution as an enactment which has direct force has still not become standard practice. For all intents and purposes, the judicial authorities are not cooperating with other branches of power, as required by the principle of separation of the powers. I note with satisfaction that the formation of the Constitutional Court was completed the other day. I congratulate the judges and the chairman of the court, Vladimir Aleksandrovich Tumanov, on the start of their work.

Judicial reform is proceeding extremely slowly. The year 1995 must become a year in which we exalt judicial authority. I consider this to be a priority objective for the president, the government and the Federal Assembly.

Many Russian citizens still do not know how, in the new circumstances, they are to uphold their lawful interests, where they can go, to whom they can turn, what is risky and what can be relied on, what can be done and what cannot be done. They do not know what the obligations of various state bodies are, as regards defending the rights of citizens. It is just as important to help people adapt to the fast changing conditions of life as to change these conditions themselves.

It is far from always that a citizen can restore easily and quickly his right that has been violated. And it is not only the question of an imperfect legal base and shortcomings in the work of judicial bodies: It is a duty of absolutely all state and municipal bodies to protect the rights of the individual. Each of them must protect the rights of citizens within the framework of its constitutional tasks and by methods inherent in it.

The enhancement of the efficiency of power is linked inseparably to the development of civic society in Russia. Laws alone are not enough to form it. It can be formed provided there is real interaction between different public forces and a patient search for mutually acceptable solutions.

The signing of the Treaty on Public Accord was one of last year's major events. Life itself made Russia's influential forces agree to a compromise. In 1995 the Treaty should become a school for civic society in which various public forces would learn to conduct constructive dialogue with one another. And it is precisely herein rather than in the number of those who signed or left the Treaty that its main point lies. The state, which has long ago forgotten how to speak with society on equal terms, is one of the pupils in this school. A modern state cannot work efficiently without considerably raising the professional level of work of state officials. It is not permissible for a manager to fail to fulfill his immediate duties. Any abuse of office for personal ends is intolerable. This year, clear-cut guarantees for the rights of state officials will be defined in legislation and measures aimed at strengthening discipline among state officials will be mapped out. First of all, a clear-cut system of restrictions and bans on the commercial activity of bureaucrats should be adopted.

The effectiveness of the authorities of state is determined largely by how they combat crime. We have made little progress in this respect. The overwhelming majority of people in Russia have an oppressive feeling of defenselessness in the face of criminals. Last year, a federal anticrime program was unveiled, But it is only being partially implemented. The problem is not only a lack of resources. It is no secret that at times these resources end up in dishonest hands. Corruption in the law-enforcement agencies is a growing obstacle to normal work. As long as this evil remains, there can be no talk of any success in this area. Large criminal communities, the so-called authorities of the criminal world, sense their impunity and are operating with growing audacity. The law enforcement agencies often take a line of non-intervention. This, I believe, cannot be allowed. And on this basis I shall be assessing the performance of the law enforcement system. I hope that the deputies of the Federal Assembly will support this approach.

I think that all are now convinced that neither loud campaigns nor individual operations, raids or the like will bring a breakthrough in the struggle against crime. What is needed is painstaking, everyday, hard work in every region, in every town, district, street, neighborhood. Where this is done, the results are positive.

The fight against crime requires the rapid creation of the appropriate legal framework and also a particular psychological climate in the institutions of power. The authorities sometimes throw up barriers and indulge in mutual recriminations, and this must not be allowed.

There has been rising public concern recently at the spread of fascist ideology and fascist organizations in Russia. For many years, the peoples of Russia had a strong immunity against fascism. But now that immunity has weakened.

Fascist publications circulate freely throughout the country, and this on the eve of the 50th anniversary of victory over fascism. People are asking: Why are the prosecuting authorities so ineffectual? Where is the judges' position of principle? Why are those bodies whose duty it is to protect our people against this filth doing nothing? The obligation of the state here is to impose order. Esteemed deputies, last year the economy covered a part of the path stipulated by the first presidential message. Annual inflation was three times lower than in 1993 and almost seven times lower than in 1992. The financial conditions have been created for increasing the investment activity. The first stage of large-scale privatization has been carried out in a short period of time. The private sector became predominant by having created 62 percent of the gross national product. The market infrastructure has rapidly developed—banks, trade, financial and insurance companies. The securities market has developed intensively and the economy has become more open. In the first message to the Federal Assembly I intentionally raised in a pointed way the question of the social cost of economic reforms. A year has passed since then but the social cost of the economic policy is still high. The evidence is the appearance of the "new poor"—people, who are employed but are paid humiliatingly low wages—and irregularly at that. I believe that the main reason for last year's failures was the low efficiency of state power. It was slow to react to the economic processes and quite frequently lagged behind. Sometimes, on the contrary, when there was the need for boosting the changes, it was too slow to react. Because of this, some important decisions haven't been implemented and the resources of the reform haven't been used to their best. We have made mistakes in defining the revenue part of the budget and the government has found itself in the grip of the sharp financial deficit. The 1994 results were contradictory, but on the whole the year has not been lost for the economic reform. The task for this year is to create the initial conditions and potential for the future economic growth. We should build the bridge between the inflationary past and the investment future.

The problems this year are no less complex and great than in 1992. Although considerable experience has been accumulated in the financial and monetary policy spheres, the growth potential in the market economy conditions has to be achieved virtually anew. The most important condition for financial stabilization is the strengthening of the ruble. If we achieve this, the potential for the economic growth will become reality.

During the years of reform there have been two serious attempts to stop inflation: in the first half of 1992 and at the end of 1993/beginning of 1994. They were not entirely successful. The third attempt must succeed. This is expected from us by the citizens of Russia, and by our foreign partners, including international financial bodies. To achieve financial stabilization is not enough. We must also know how to use its results. The final aim is not only to stabilize production, but also to increase its efficiency. The path to effective production is through higher investment. Weak market signals to investors have to be boosted by active state intervention. We must create a good investment environment for both our own and foreign investors.

The state's attitude towards foreign investment in 1995 will be determined by how it facilitates the formation of a potential growth of the Russian economy and the development of its export opportunities, and especially of high-tech production. This is in our long-term national interest.

The shift from distribution to investment in privatization should play a positive role. This year the privatization policy must concentrate on maximizing the investment activity. Also, there is a need for an effective management of shares which belong to the Federal Government.

In 1995 we must start a strategic structural maneuver. Its goal is to reduce the share of the raw materials sector of the economy and to increase the processing industry, and especially its high-tech sector, as well as the service industry and the intellectual activity. Then we will be able not only to move to the stage of economic development, but also to give it a modern quality. In 1995 the structural policy will have the following priorities: technological modernization of the Russian economy, strengthening of the national industrial infrastructure, and development of export, especially of the high-tech products. The structural shift will not be possible without fundamental changes in the state support for the production at the federal and regional levels.

First and foremost Russian scientific and technological potential will become the object of state support. An indispensable condition of that support is strict control over its purpose-orientated utilization and the responsibility of those who receive support for the obligation they have taken upon themselves.

Defense orders must be fully financed. It is at last time to set about implementing the decisions to set up treasury-funded enterprises. It is no less important to learn to use the money from budget in a rational way, ridding the defense complex of the old structural disproportions. And at the same time, I regard it as obligatory to execute the defense budget adopted by the Federal Assembly.

Agriculture cannot get by without state support. It will soon be time for the spring sowing. I am asking the government, the authorities in the regions, business partners, the residents of the countryside, the farm workers themselves, to do as much as they can to ensure that the sowing campaign is a successful one this year. We can achieve positive structural changes, if we overcome the failure to make payments to one another. In a number of cases they have become a mechanism serving the mercenary interests of managers of the economy. Another side of this problem is the implementation of the procedure of making inefficient and unproductive enterprises bankrupt.

The issues are hard-hitting ones. It is precisely because of this that I have to say that the government commission dealing with nonpayments' problems is still not working satisfactorily. Discipline with regard to finances must be tightened up at all levels of authority. Let us agree on this: No one, neither the Federal Assembly, nor the government, nor the President has the right to adopt decisions which undermine the budget and boost inflation. [murmuring heard]

The problem of taxes is a very complicated one. I already said everything that I thought necessary in last year's message. The government underestimated the importance of this issue. Now they will have to make up for what has been lost.

In 1995 the course towards integrating our economy into the world economy will be continued. The most important thing today is to ensure adequate protection of the domestic market, first and foremost by economic means. This is a tactical maneuver. It does contradict our strategic course towards a gradual reduction of customs duty tariffs on imported goods.

The task of the first years of reform was to create market mechanisms and new systems for social protection of the people. While continuing to pursue this task, we have to move on by ensuring their effective functioning. Therefore our priority task is to give real substance to economic and social rights of the individual, to unleash the creative energy of market players.

The year of 1995 has to become the year when economic reform gains social substance. Fundamental changes are to be made in budget ideology, both on the federal and on the regional level. This means first and foremost drawing up minimum state standards in such basic indicators as the standard of living, spending on research, culture, education, health service, and ecology. In the future they are to become mandatory.

What impedes the establishment of genuine property owners in Russia is the fact that their rights are poorly protected, most notably the rights gained in the process of privatization. Guarantees are needed for the rights of private ownership of real estate, the rights of creditors over property mortgaged to them, the rights of shareholders and holders of other securities. One has to acknowledge that in this field, on the securities market, the rights of individuals have been seriously jeopardized.

The state is obliged to protect people from unscrupulous businessmen. Much work is to be done this year to ensure in reality the right to proper remuneration of labor and to protection from unemployment. We have become accustomed to forecasts of an explosive growth in unemployment, but they have once again been unfounded. Yet the time available for the state to take preventive action against unemployment is running out.

The current situation, in which the price of goods is near to world levels while the price of labor is much lower than world levels, is clearly wrong. Cheap labor cannot be effective. There should not be any new restrictions on wages, and those existing will be gradually dismantled. At the same time, the constitutional requirement for a minimum wage should be observed at enterprises under all forms of ownership. Decisions to raise it, of course, must be taken in a responsible manner and within the scope of the budget.

Endemic late payment of wages has become a painful aspect of the initial reform years. This is a gross violation of inalienable human rights. The latest action by the miners reminds us once again that tough legislative moves in this respect are essential.

I shall name another social problem: restoration of people's savings and their protection against inflation. We shall move in two main directions this year. Firstly, we shall draw up and begin implementing a program to assist the restoration of citizens' savings, and secondly, we shall establish a special insurance mechanism designed to protect savers against the risk of losing their money. The government and the Central Bank have no right to walk away from supervising commercial organizations that attract the public's savings. I shall say more: Such supervision must be stringent.

I have given only a partial list of the economic problems identified in the message to the Federal Assembly. Real progress towards solving them should be the most important gauge of the effectiveness of the Russian state and its authorities this year.

Esteemed deputies! Russia will not be able to extricate itself from its economic and spiritual crisis so long as the development of culture, science, and education remains a secondary matter for the state. One of the achievements of recent years has been pluralism in culture and freedom to choose cultural values. But society is not indifferent to the kind of culture which molds its young generation. The state is the guarantor of spiritual pluralism, but it is not entitled to treat all manifestations of cultural life as the same. Those of them which mold the rich, spiritual world of the individual need special patronage from the state. They must get most favored treatment, and that includes on television and radio. The problem is not just shortage of funds. There has to be a well-founded cultural policy. No cash investments in culture will have the desired effect without it.

Let me note problems which we have to start tackling during 1995. It is essential to work out a differentiated system of taxation which will apply to those enterprises and firms which invest part of their profit in the development of Russian culture. This approach is important for the support and publication of socially significant literature, the country's film industry, and so on. Whilst stimulating the development of public and private initiative in the spheres of education and culture, the state cannot, however, agree to blanket privatization of these spheres.

Last year we adopted the program, Children of Russia, and began implementing it. The next step must be an effective, realistic and nationwide program called the Young Generation of Russia. I think this work should be entrusted, first and foremost, to talented teachers and scientists of the kind which Russia has.

Support for gifted and talented children is a national tradition. Therefore, alongside the development of fee-paying services, we must also develop ways in which children and adolescents can receive out-of-school tuition free of charge or for a very moderate fee. I have in mind musical, artistic, sporting, and other clubs and societies for children and schoolchildren.

Forming the spiritual identity of the young generation, its moral standards, has to become the main task of secondary and higher education institutions in Russia. What has to be improved significantly, because this sphere is lagging behind, is education in humanities for students at state and nonstate educational institutions.

A special mention has to made of Russian mass media. In the past few years they have become an influential mechanism for the protection of democracy. But this is no honorary title, this is a heavy burden. It can only be carried by someone who can recognize the great responsibility now borne by journalists. It goes without saying that Russian authorities are still learning to operate under the conditions of free expression of opinions. Sometimes they lack patience. Not infrequently they prefer to give orders, to put direct pressure on journalists.

But I also have to mention something else, namely what the mass media sometimes permits itself to do. The mass media sometimes oversteps the law. It is deeply disappointing that words that one used to see only scrawled on fences are now being used in headlines in national newspapers. One cannot agree with some publications' attempts to turn mass media freedom into freedom from responsibilities before society.

The constitutional principle of the freedom of mass media is inviolable. Democratic society, Russian statehood cannot exist without it. Therefore, the core of state policy in the field of mass media has to become open in terms of access to information. At the same time the state information policy has to work towards positive creation, it has to reveal the real aims and motives of all branches of power. I hope that this view is shared by most journalists in Russia. Their calling is to serve the cause of Russia's spiritual and moral revival, to support by their word any useful and progressive initiative, however small it may be. So far, however, the entire Russia, from the Baltics to the Pacific, with the exception of Moscow and Chechnya, has often been forgotten by journalists.

I will voice my own opinion. I am prepared to put up with the most fierce criticism of statesmen and state institutions. But this criticism should not turn into mockery of the state. I am prepared to argue about the most fierce criticism of how force is used in Chechnya. But I will never agree with the situation when cowardliness and the failure to follow one's oath of allegiance are presented as valor. I am prepared to respond to the most fierce criticism of our policies, but it should never cast doubt on the country's integrity and overstep the boundary behind which is Russia's disintegration. And another thing: It has become fashionable of late to describe the president as a persecutor of the press almost. I will be honest with you. There have been attempts to put a straight jacket on the mass media, using the president's hands. They have failed and will fail. It is true, though, it is not always easy to oppose those attempts. If we really want to preserve shoots of freedom which have already appeared in the severe Russian climate, let's act together.

Esteemed deputies of the Federation Council and the State Duma! The sovereignty of the Russian state covers vast territory. It includes many peoples. Therefore, Russia's future is in federalism. This is the most certain road towards making the state more united. We decided to significantly expand the rights of republics, krays, oblasts and autonomies, within the framework of the Constitution. This is our principled position. It is equally important that the federation's components maintain the sense of reality and understand that their own abilities are not without a limit. Last year we signed treaties with Tatarstan, Bashkortostan, and Kabardino-Balkaria, which helped to regulate relations with the federation's components during that period of time. We have gained vast experience in implementing our regional policy. Last year witnessed the birth of Russia's budgetary federalism. As a result, budgetary responsibility and independence of the federation's components have increased.

It has been possible, to a degree, to remove tension in interbudgetary relations. This year a new mechanism of budgetary mutual relations is to be streamlined and extended to all the members of the Federation. There is an extreme need for a special program covering underdeveloped and depressed regions where the situation is worse than in other regions. Hard work on it has been underway throughout last year, and it should be adopted this year.

Work on charters and constitutions has been underway in the members of the Federation. It is a positive process but, however, one should not forget that in any part of the country's territory a citizen has the right to feel reliably protected by the Russian Constitution. The legislative work carried out by the members of the Federation should not undermine the unity of Russia's legal space.

It is impossible to ensure vital functions in such a vast country as Russia without introducing local self-administration. Until now it has been tacitly agreed, as it were, that local self-administration and relations between regional and municipal authorities is a matter for members of the Federation themselves to deal with. Such a political trend should be overcome. Unfortunately, the draft federal program for state support for local self-administration has been going around offices for over a year. This year the government should approve this document.

We should pay special attention to our compatriots residing in near abroad. Using all legal means, the Russian leadership will defend our compatriots' status of equality in the new independent states in future, too. We must protect the rights of refugees and resettlers. Legislative bodies and the government must ensure their reception and settlement.

Speaking about federative relations, I believe it necessary, of course, to dwell upon the Chechen crisis. The latest events in Chechnya have reflected all the problems of present-day Russia. We could not get down to solving the Chechen problem for a long time. Russian society was atoning, as it were, for the state's imperial past. We feared that we would be misinterpreted. Also, the Afghan syndrome and the protracted confrontation between Russian authorities had had their effect. All these are the underlying causes owing to which we were so late in resolving the Chechen problem. But there were other things, too, such as an underestimation of the developments in Chechnya, an underestimation shown by authorities at all levels.

We must call things their proper names. In a Russian region, namely on the territory of the Chechen republic, a true dictatorial regime has been established by an armed coup. Illegal armed forces have been virtually formed there; well-equipped, highly trained and well-organized armed forces. The regime in Chechnya made criminal business its priority. Criminal activity was its main source of income and the main reason for its existence. The joining of the criminal world and the authorities, which journalists and politicians had often warned about, describing it as the major danger for the country, has become a reality in Chechnya. It was a launch pad for spreading criminal activities throughout Russia. If we do not want the Chechen events to happen again, we must in future prevent the formation of any regional dictatorial regimes, usurpation of power, and so on. For too long we have consoled ourselves with the hope that the situation would sort itself out, that a compromise was possible. That was a fateful mistake. Abscesses like the Medellin cartel in Columbia and the Golden Triangle in southeast Asia and the criminal dictatorship in Chechnya do not disappear by themselves. In order to maintain its sovereignty, independence, and territorial integrity, the state can and must use force. But our state was not in fact prepared for effective use of force. This is the cause of losses and the root of the violation of citizens' rights in the course of military actions.

We must draw lessons from these dramatic events. And if we seriously intend to do that, then we must not act on impulse. We must together analyze all aspects of the Chechen anomaly. And all bodies of power charged with restoring constitutional order in Chechnya must get to the bottom of the problem. Only then can decisions be taken.

Another thing is important: Russia is getting rid of the cancerous tumor of the Groznyy regime at the start of building its new statehood, when its civic society is not yet mature, when democratic traditions are weak. And in these conditions, society held out against chauvinistic and military hysteria. The authorities had sufficient restraint not to cut short the wave of criticism, to remain open at home and to the world outside. All these are signs that normal democratic statehood is coming into being. It has withstood the first and very harsh experience.

Naturally, the solving of the Chechnya crisis does not only boil down to the use of military force. We shall give priority to political and economic methods of settling it. We shall draw on the forces in which the residents of Chechnya have trust. Legitimate bodies of power and local self-government should be set up in Chechnya. We are interested in that taking place as soon as possible. A decree has already been signed on additional measures to restore the economy and social services in the Chechen republic.

We often hear of our hopes that our armed forces and interior forces are stronger and more experienced, more battle-ready. Their failures and miscalculations of command are a painful blow to the people of Russia's sense of patriotic and civic pride. It has to be acknowledged that the Armed Forces as they are now are not sufficiently trained to take part in resolving local conflicts. The legal and organizational levers for using the Armed Forces and other structures of force in the event of an armed rebellion within the Russian Federation have not worked properly. The interaction between the Armed Forces, the interior forces, the border forces, Federal Counterintelligence Service and other structures of force was inefficient in the conflict. All this lay as a heavy burden on the soldiers and officers taking part in the resolution of the Chechnya crisis.

They are not the ones who fire from behind the backs of women and children. They are not the ones who use them as human shields. They are not the ones who set up firing positions in the middle of towns and villages under the cover of houses and hospitals. The vast majority of Russian servicemen are showing the best soldierly qualities while carrying out their military duties. It is therefore even more important to pay special attention this year to the strengthening of the Armed Forces. The main conclusion drawn not only by the supreme commander, and not only from the experience of the Chechen crisis, is that the reform in the Armed Forces is progressing too slowly. This year we must take decisive steps to reorganize the Armed Forces and other troops, bearing in mind the real problems of ensuring the national security of Russia, but based on the economic and demographic capabilities of the country. It is necessary to improve the technical equipment, improve its delivery, and to upgrade the operational training to the level of modern requirements. We will have to considerably improve the coordination of the activity between various departments in tackling the problems of how to ensure the rule of law within the country and Russia's defense capabilities.

We are planning to review the procedure for troop recruitment, the manning policy, and provisions for proper mobilization readiness of the country. The system of military education will also have to undergo further streamlining. The reorganization of the defense industry must purposeful. The implementation of the proposed measures in defense will serve as a basis for creating a highly combat-ready army of the Russian Federation. It will be relatively small, sufficiently manned in terms of personnel and modern technology, but it will also have all the necessary social provisions.

Esteemed deputies! The new democratic Russia entered the world stage three years ago. Since then, many changes have taken place. Russia has become an active participant in the world community's efforts to uphold peace in various flashpoints on the planet. In Naples last year, the gradual transformation began of the G-7 into the G-8 with Russia. With Russia's active participation, the CSCE [OSCE] has been transformed to an Organization for Security and Cooperation in Europe. A full-scale agreement on economic cooperation has been signed by the European Union and our country. Our country's cooperation with the UN and other international organizations is expanding. The quest is under way for Russia and NATO to interact as equals. Russia is continuing with its planned destruction of armaments under treaties concluded earlier. It has embarked on a radical reduction in its Armed Forces. We have expressed our willingness to proceed with further measures for trust and security. We are convinced that the future of our continent and the entire world community lies in unity, integration of the gigantic economic potential, coordination of political efforts. Only thus can the many troubles of the modern world—civil, local and regional wars; social injustice; hunger and destitution of entire peoples; the trade in drugs, contraband, and arms; environmental protection—be resolved. The world needs cooperation, the bulwark of which is mutual respect of states' lawful rights and interests and not a competition of egos, not the logic of short-term gain and merciless competition. All the more reason not to allow new splits in Europe and the world.

One sometimes hears talk that partnership with the new Russia is premature. As a rule, this masks the wish to remove a potential competitor. If such desires gain the upper hand in the West, then the efforts to create a new, juster, and safer world order will have been in vain. In that event, mankind will not enter the 21st century but be thrown back to the 19th century.

A characteristic feature of this is the intention to push NATO into expanding to the East. This is done to the detriment of joint efforts aimed at shaping a new model of a truly pan-European security. We are openly saying what exactly we cannot accept in this scenario and why Russia objects to it.

What is being determined today—determined for a long time—is the kind of interrelations between states in the European continent, the continent from where two military catastrophes have already been unleashed on mankind. We do not want Europe and the world to revert to the old or the new dividing lines. It is always possible to find a solution if the parties want partnership, and in the long term, cooperation. This is our choice. This is what we are now working on with the United States and other countries. But the structure that is intended for the Western frontiers of Russia, with a speedy advance of NATO to these frontiers, is based on other principles. By expanding NATO, the West claims to intend to protect the east European countries from the so-called dark designs of Moscow.

I take full responsibility for saying: There are no such designs. For all the contradictions of a transition period, Russia is devoted to democratic values. Our desire to take part in building a new international order on the European and world scale is unchanged.

Russia in its foreign policy in 1995 will defend its state interests by combining consistency and firmness, flexibility, and pragmatism. Russia doesn't have plans to enter into confrontation with any of the so-called world's power centers. Its optimum strategy for the near future will be the strategy of real partnership in all directions. We will promote relations with the United States, European countries, China, India, Japan, Latin America, and all the states of the world; with everyone who is prepared to build dialogue with Russia on a mutually beneficial and equal basis.

Russia sees enhanced interaction with the CIS countries as a continuing priority. Last year, various ways of integrating our states were actively proposed. I consider that the form already adopted in the Commonwealth is the optimum. It allows a convergence towards the ideal system for each state, which applies to both the rate and level of integration.

The focus of Russia's interaction with European states is the creation of a security mechanism for the 21st century. It is vital that nobody be isolated from decision-making on the future of Europe.

Partnership with the United States on the basis of a mutually acceptable balance of interests is the most important direction of Russian foreign policy. By firmly upholding our position, we shall continue to strive to cultivate all that is useful from the past years' work. Russia, and I hope the United States, will continue this year to actively learn to interact on the broadest possible range of issues. We shall step up our foreign policy towards the Pacific region. Importantly, stable relations have already been forged with a number of the leading states in this region. Effective pursuit of Russia's foreign policy requires the creation, under the President, of a precise mechanism for coordination in this respect between government departments. This will allow a more consistent implementation of foreign policy initiatives and it will promote effective dialogue between Russia and other countries.

Esteemed deputies! Much work lies before us. The foundations of a new legislation and a new statehood remain incomplete. Our country continues to exist in a legislative semivacuum. This year, it is essential for us to determine our sequence of action in the legislative field as we continue to form solid and reliable mechanisms for interaction by the authorities.

The State Duma's program lists 60 most important draft laws. We will have to limit ourselves in legislative initiatives, too, in order to implement the tasks that we are facing. Quality of work and the observance of efficient technology is our main potential. I assure you of my all-round support for your legislative activity.

Concluding my address, I deem it necessary to single out the most essential points, which will become the president's daily concern this year:

- First, enhancing the efficiency of Russian authority on the basis of law and democratic principles, strengthening guarantees for human rights and liberties.
- Second, restoring peace and calm in the Chechen Republic.
- Third, deepening public accord.
- Fourth, continuing economic reforms and investing them with social content.
- Fifth, implementing judicial reforms.
- Sixth, preparing and holding elections to the State Duma in December this year and the election of the Russian president in June next year.
- And finally, the 50th anniversary of the great victory is this year.

We must mark this holiday properly.

I hope for your support for these efforts, esteemed deputies, government, parties, public movements, and all those who hold dear Russia's future. A working group is already working on a mechanism for implementing the message. I hope this to become a good basis for strengthening our cooperation.

The year of 1994 has already become part of history. It was a difficult year. I am confident, nevertheless, that it will be remembered, first of all, for the not very conspicuous yet, in fact, titanic work of citizens on building their country. We want a democratic law-based society to assert itself in Russia taking account of the national features and traditions of its people. We want to ensure that one and the same law for all citizens regardless of their positions reigns supreme in our country. We want the Russian Federation to be and always remain a single and integral state. We want social partnership to take root in Russia and protection for the life, dignity, property, and rights of citizens to be ensured. These goals are proclaimed in the Constitution and we will, by all means, attain them together. This will not be easy. We are stumbling over our own mistakes, but we are acquiring priceless experience. We all should imbue ourselves with faith in success and the creative force of our national character. Our fatherland deserves a happy fate and it will have it. Thank you. [Applause]

Filatov: Yeltsin 'Has Finalized' Message to Parliament

LD1502194695 Moscow INTERFAX in English 1835 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovskiy, Edited by Vladimir Shishlin]

[FBIS Transcribed Text] The presidential chief of staff Sergey Filatov has said that President Yeltsin has finalized his annual message to parliament. Filatov said the message consisted of 110 type-written pages and was unlikely to be changed.

About the 1995 presidential message Filatov said that whereas last year President Yeltsin paid special attention to theoretical aspects of Russian statehood, this time the "emphasis will be placed on establishing mechanisms to translate those ideas into reality".

Filatov said that President Yeltsin would present the message to parliament on February 16 and make a 40-minute speech. The message is going to be published in full on February 18.

Filatov did not rule out that the message would contain a number of harsh comments, including those of the military operation in Chechnya.

President Yeltsin asked the houses of the Federal Assembly to discuss his annual message not at a joint session, but separately, the State Duma speaker Ivan Rybkin has said. The message will be discussed in parliament on Friday, February 17.

State Duma members have more than once said that the message should be discussed in President Yeltsin's presence.

The advocates of that proposal, in the first place the Communist faction and their leader Gennadiy Zuganov are certain that otherwise the presidential message would be sheer formality.

INTERFAX Highlights Yeltsin's Speech

LD1502193995 Moscow INTERFAX in English 1923 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—Russian President Boris Yeltsin believed that "common efforts brought largely to an end the confrontation of the legislative and executive authorities in Russia which had posed the greatest threat to the country in the first years of reforms." He told the Federal Assembly in the Kremlin on February 16 that the support for the catchwords calling on certain areas to leave the Russian Federation had noticeably weakened and illusions had evaporated that this was the way to resolve specific regional problems.

Despite the end of the confrontation, he believed, certain quarters still tried to provoke disbandment of the Duma. Yeltsin said that the executive and legislative authorities had "to work together for their constitutional terms and parliamentary and presidential elections have to be held as provided for by the Constitution."

Yeltsin sharply criticized the bureaucratic machinery which, in his words, had been acting in an unrestrained way once it had gotten rid of the so-called "leading role of the Communist Party" and tried to subjugate the state institutions to its own interests. He attributed to this numerous troubles Russia had experienced in recent years. Yeltsin emphasized that "unfortunately, numerous people still believed that order could be instilled by force." He said that against this background some crafty demagogue could seize control in Russia. Yeltsin said that the state had to do its utmost to prevent this.

In his view, "the authority in Russia will not work until it becomes open and understandable to society and learn to respond to its anxieties."

Yeltsin believes that the "decision making process and selection of top personnel needed to be radically changed." He explained that government officials had to be made to abide by the law and ethical principles and that corrupt officials had to be expelled from the state machinery. For this reason, Yeltsin said, the judicial authority has to be consolidated and a judicial reform carried out in 1995.

He said that the federal program of fighting crime scored only partial successes, not only because of shortage of funds but also because of "corruption in law enforcement agencies."

Yeltsin spoke of the apprehension of Russians about the spread of the fascist ideology and fascist organizations in Russia. He believed that Russians had been immune to fascism but this immunity had weakened lately. Yeltsin called for law and order in this field and for better operation of the law enforcement bodies which "have to protect our people from this dirt.

Yeltsin said that the social price of the economic policy remained too high. In particular, "new poor people emerged who have jobs but whose wages are humiliatingly low and irregular."

Yeltsin attributed the failures of 1994 to the low sensitivity of the state authorities to the market processes. He said that the authorities acted in an ineffectual way and that the budget revenue fell short of its target. Yeltsin believed that a third attempt to stop inflation had to work.

Yeltsin said that the top priorities in 1995 were technological modernization of the Russian economy, consolidation of the national industrial infrastructure and expansion of export, especially of science-intensive products.

He said that the Federal Assembly, government and president had to agree that none of them had a right to make decisions undermining the budget and contributing to inflation.

Yeltsin said that a program had to be worked out and launched of restoring the savings of the population and an insurance mechanism had to be set up to protect the savings.

He described as abnormal the situation in which the prices of goods were close to the world level while the wages were much below it. "Cheap labor cannot be effective. There must be no new constraints imposed on incomes while the existing ones have to be gradually removed," he said.

Yeltsin gave much attention in his speech to federalism. He said that the tension in the relations between the federal and regional budgets had been alleviated in 1994. A new mechanism of budget relations has to be worked out and applied to all parts of the Russian Federation in 1995.

To Stress Importance of U.S. Partnership

LD1502171395 Moscow ITAR-TASS World Service in Russian 1622 GMT 15 Feb 95

[FBIS Translated Text] Moscow, 15 Feb TASS—President Boris Yeltsin believes that partnership with the United States on the basis of a mutually acceptable balance of interests is a most important direction of foreign policy. As ITAR-TASS learned from informed sources in his entourage, he will state this in his annual message to the Federal Assembly in the Kremlin on Thursday [16 February].

The president, the sources stressed, is positive in his appraisal of the potential which has been acquired in recent years in Russo- American relations and intends to assure the law makers that Russia, by firmly upholding its positions, will continue to endeavor to build up this solid potential.

Criticizes Military for 'Chechen Anomaly'

LD1602080495 Moscow ITAR-TASS in English 0701 GMT 16 Feb 95

[FBIS Transcribed Text] Moscow February 15 TASS—Russian President Boris Yeltsin criticised the military for human rights violations and failures in the Chechen operation and urged a proper military reform in Russia.

"Today it can be often heard: We hoped that our Armed Forces and interior troops were stronger and more experienced, that their combat readiness was higher. Their failures, setbacks and mistakes of the command are a painful blow on patriotic and civic feelings, on the dignity of Russians. This deserves the most serious conclusions", the president said in his address to the parliament on Thursday.

"To preserve its sovereignty, independence and integrity the state can and must use the force of authority. But our state turned out to be unprepared for efficient power actions. At the initial stage the hackneyed system of planning military operations of such a scope, uncoordinated activities of ministries made themselves felt. This is the reason for big losses. This is the root of human rights violations in the course of combat activities", the presidednt said and added that "we have to analyse all aspects of the Chechen anomaly together".

"The general conclusion which I make as the supreme commander-in- chief is that reform of the Armed Forces is carried out unsatisfactorily", Yeltsin stressed adding that "the Armed Forces are not well prepared for settling conflicts of local character".

In 1995 resolute measures should be adopted to reorganise the Armed forces and other troops. It is necessary to raise their technical outfit, improve their provision, raise the operational and combat training to the level of modern requirements.

The implementation of the planned measures in the sphere of defence will become the basis for the creation of a highly efficient army of the Russian Federation which will not be numerous, but will be sufficiently manned and equipped with modern armaments, according to Yeltsin.

Pays Tribute to Chechen Casualties

LD1602085295 Moscow ITAR-TASS in English 0836 GMT 16 Feb 95

[FBIS Transcribed Text] Moscow February 16 TASS—Russian President Boris Yeltsin began his 26-page annual address to the federal legislature on the state of the nation on Thursday [16 February].

The address is being read out in the marble hall inside the Kremlin where deputies from both chambers of the Russian parliament have assembled.

Upon a request of the president, the lawmakers stood up to pay tribute to those killed in the Chechen conflict.

May Offer 'Kind Words' to Press

MM1502122795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 Feb 95 p 1

[Article by Vladimir Petrov: "The Pen Is No Match for the Bayonet. Will the President Have Something Good to Say To The Press Tomorrow?"]

[FBIS Translated Text] The authorities flirted with the democratic press—and suddenly discovered to their horror during the Chechnya crisis that television and newspapers do not respond very well to the helm.

You could, of course, put nothing but ROSSIYSKAYA GAZETA in with the president's morning mail, but what about the rest of the population? The first idea in this regard, to judge from the arrogance of it, was clearly conceived in a general's head: The idea was to declare the rest of the press Dudayev accomplices and spongers. This unsophisticated idea was immediately taken up by Boris Nikolayevich in his December message to the people. Admittedly, not the flimsiest example of the bribing of a Russian journalist has been found even though the FCS [Federal Counterintelligence Service] was given a direct state order to find such examples. According to Kremlin eyewitnesses, the passage about venal hacks was included in the president's address two hours before broadcast by his speech writer, L. Likhoya, who in turn had received a phone call from the FCS. But when the public timidly requested proof, everyone involved merely shrugged.

Even old hands get it wrong sometimes, but you cannot be wrong if you do nothing, and who remembers the past anyway.... So let us not recall Vice Premier Yegorov , so quickly (and undeservedly?) forgotten in his striped vest, who informed millions of Russians that the main driving force for journalists is... Chechen oil. Let the academics investigate that statement; we are going to move on to a newer example, on this occasion a document.

In a memorandum to the president, Security Council Secretary Oleg Lobov drew conclusions from an analysis of the situation in Chechnya. One conclusion was that it is necessary to step up the psychological and propaganda warfare which, in the opinion of many observers, the Chechens are winning at the moment. Lobov complains about the Russian and foreign mass media, which are "intensifying the destructive effect," and suggests that B. Yeltsin adjust his information policy. Specifically "by means of radio-electronic struggle and the special services, so as to sharply counter the effect of Dudayev's psychological terror against Russian servicemen" while "in the sphere of the Prosecutor's Office, the MVD [Ministry of Internal Affairs], and the FCS measures should be adopted to expose and thwart the unpunished activity of accomplices of the Dudayev regime who are getting their orders direct from Groznyy."

The question remains: Is a witch-hunt being conducted for "accomplices" within the Russian press? There are two scenarios.

I would venture to suggest that when the president assesses the general situation in his long-awaited address tomorrow he will say a few kind words about the press. In any event, they are saying in the Kremlin that when Lobov and Grachev began heartily criticizing the press on Boris Nikolayevich's birthday recently Yeltsin sided firmly with the journalists. Perhaps in order to offset the December embarrassment, or perhaps because he had actually investigated matters himself. If only people still listened to presidents in our country!

Kozyrev: Yeltsin Address Will Please Democrats, Reformers

LD1502153795 Moscow ITAR-TASS in English 1519 GMT 15 Feb 95

[By ITAR-TASS correspondent Yuriy Kozlov]

[FBIS Transcribed Text] Moscow February 15 TASS—The annual address of the Russian president to Parliament on Thursday will please democrats and reformers, according to Russian Foreign Minister Andrey Kozyrev who said that Boris Yeltsin remains the "main engine and the guarantor" of reforms.

"The message will be a reformist one and will not disillusion supporters of democratic and reformist transformations in Russia", Kozyrev told reporters on Wednesday on his way back from Sweden.

Kozyrev rejected claims that Chechen developments can make reforms sidetrack. "On the contrary, the Chechen tragedy will give an impulse to the progress of transformations including the reform of the state staff, power ministries and the Armed Forces".

"The talk is about strengthening the democratic basis of the Russian state, about preparations for elections and promotion of economic reforms", the minister said and denied rumours that reforms may result in a dictatorship and the omnipotence of power ministries.

Economics Minister Comments on Yeltsin's Address

LD1602103995 Moscow ITAR-TASS in English 1018 GMT 16 Feb 95

[By ITAR-TASS correspondents Pavel Kuznetsov, Andrey Shtorkh]

[FBIS Transcribed Text] Moscow February 16 TASS—"Boris Yeltsin's message to the Federal Assembly is aimed at the economic reform, financial stabilisation and constructive work," Russian Minister of Economy Yevgeniy Yasin told journalists in the Kremlin today. In his opinion, the economic part of the address of the head of state is realistic, and this is one of its strongest points.

At the same time, he believes that Yeltsin might have described the results of the past year in a sharper tone. What he said in a "moderate tone" in the address is just, including in its critical part.

According to Yasin, expenditures connected with the operation in Chechnya are negatively affecting economic plans of the Russian Government. It is understandable that military operations, military expenditures and financial stabilisation are two absolutely opposite things, he continued. The problem is for how long the military operation will last. Now the intensity of the hostilities is subsiding, which gives grounds for optimism. "I hope the operation in Chechnya will not become an obstacle to the implementation of the economic reform in the current year, to the putting into effect of economic provisions of the message of the Russian president to the Federal Assembly," Yasin said.

Yabloko Faction May Boycott Yeltsin's Speech To State Duma

LD1502183895 Moscow Russian Television Network in Russian 1700 GMT 15 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Text] The press service of the State Duma Yabloko faction reported today that the faction's deputies will probably ignore tomorrow's [16 February] joint session of the two chambers of the Federal Assembly at which the president will reveal his annual message to parliament. The deputies have decided not to make an unanimous decision on the issue and to leave it to the faction's representatives to decide for themselves.

Yeltsin To Confirm Schedule for Elections

LD1502154895 Moscow ITAR-TASS in English 1534 GMT 15 Feb 95

[By ITAR-TASS Correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow February 15—Russian President Boris Yeltsin will confirm on Thursday that both parliamentary and presidential elections will be held in Russia as scheduled—in December 1995 and in June 1996 correspondingly, TASS was told on Thursday by a well-informed source in Kremlin.

In his annual address to the parliament "Boris Yeltsin intends to give solid guarantees of holding parliamentary and presidential elections in Russia in the constitution-fixed time", the source said adding that Yeltsin will thus "confirm his position of the leader of the state which has embarked on a civilised and law-governed development of society".

Dudayev Dubious of Russian Talks, Praises Estonian Stand

WS1502150895 Tallinn BNS in English 1300 GMT 15 Feb 95

[FBIS Transcribed Text] Tallinn, Feb 15, BNS—President Dzhokhar Dudayev gives full marks to the Estonian parliament for its declaration in support of Chechnya which he says was a "courageous step."

In an exclusive interview to the Baltic News Service and the Tartu-based POSTIMEES daily on Tuesday, Dudayev said he realizes what recognition of Chechnya's independence means for Estonia.

The Estonian parliament adopted Monday a resolution supporting the breakaway republic's bid for independence, condemning Russia's continued military intervention, and calling on the government to recognize Chechnya's independence "as soon as the international situation makes it possible."

Dudayev said in the interview that Russia's present leadership didn't renounce imperialist policies with regard to other nations besides the Chechens. He recalled Moscow's pressure on mainly Russian-populated northeast Estonian territories and plans to set up military bases in Latvia.

In the opinion of the Chechen leader, by supporting Chechnya Estonia strengthens its own independence.

Referring to the Estonian parliament's uncommonly strong statement in support of Chechnya, Dudayev said Estonia "will not remain alone."

"There isn't a single nation in the world that doesn't condemn Russia's action in Chechnya," he said.

The Chechen president stated his country doesn't demand recognition from anyone, as it knows well the price of this step.

Commenting on recent developments in the Chechen conflict, Dudayev said he doubted that negotiations between Russian and Chechen representatives would bring results.

"Before (Russian President Boris) Yeltsin's address in parliament, Russia tries to give the impression it's done everything possible to achieve a ceasefire. But no war in the world ends if talks are held on the level of field commanders. If Yeltsin wants to open talks, he should begin them on a level where participants are able to make decisions," he explained.

The Estonian parliament's resolution caused a sharp reaction in Russia.

The Russian Foreign Ministry said it was a "provocative step" and voiced hope "international organizations will react adequately to Tallinn's irresponsible behavior."

Russian Foreign Minister Andrey Kozyrev told reporters in Stockholm that Estonia's stand on recognizing the independence of Chechnya, "an inalienable part of the Russian Federation," could not be regarded otherwise than interference in its internal affairs.

Russian Ambassador to Estonia Alexander Trofimov met Tuesday with Estonian Foreign Minister Juri Luik to hand over a Foreign Ministry demarche. The Foreign Ministry had protested to the Estonian ambassador in Moscow already last Friday, saying the parliamentary debate was "evidence of Estonian authorities' complicity with the regime of President Dzhokhar Dudayev."

Chernomyrdin Backs Idea of Religious Chechen Peace Forum

LD1502155495 Moscow ITAR-TASS in English 1525 GMT 15 Feb 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow February 15 TASS—Russian Prime Minister Viktor Chernomyrdin backed the idea of holding a peace conference on Chechnya which would be attended by religious representatives of various confessions.

The idea was voiced by Russian Muslim religious leaders at a meeting with Chernomyrdin on Wednesday. They said the conference should include Russian Orthodox Church leaders and heads of the Judaic community.

"To untie the Chechen knot of problems the efforts of everybody are necessary. The first thing which is to be done is to use absolutely all efforts and stop the bloodshed", Chernomyrdin told TASS.

The Muslim leaders said they had already invited Patriarch of Moscow and All Russia Aleksiy the Second to attend the meeting which they believe should be held in the Caucasus.

Soskovets Appointed Presidential Representative in Chechnya

LD1602090495 Moscow ITAR-TASS in English 0843 GMT 16 Feb 95

[FBIS Transcribed Text] Moscow February 16 TASS—President Yeltsin adopted a decree today, under which First Deputy Chairman of the Russian Government Oleg Soskovets will discharge provisionally the duties of the official representative of the Russian president in the Chechen Republic.

Military & Space Issues

Further Purge of Top Military 'Imminent'

MM1502125195 Moscow ROSSIYSKIYE VESTI in Russian 15 Feb 95 p 2

[Article by Pavel Anokhin under the "Cadres" rubric: "Generals Come and Go. Will The Army Remain Combat Ready?"]

[FBIS Translated Text] The dismissal of two Russian deputy defense ministers, Colonel Generals Matvey Burlakov and Georgiy Kondratyev, from their posts has one again exacerbated the problem of the imminent cadre reshuffles in the highest echelon of the military department. All the indications are that in this case both the deputy ministers were just a "trial balloon" for the future changes in the Armed Forces.

Attention must immediately be turned to the fact that a stock explanation indicating the reasons for the dismissal is missing in the president's edict. However, the absence of stock explanations has never been a particular problem.

Remember, Colonel General Matvey Burlakov was commander of the Western Group of Forces in Germany until recently. He took up the post in 1990, having arrived from the Southern Group of Forces, where he had also been commander since 1988 and which had now been withdrawn. These were just the finishing touches to his successful military career. Last fall he became a deputy defense minister. Then a powerful wave of indignation swept through society at this appointment—Matvey Burlakov was accused of corruption and abuse of his official position. And although Russian Defense Minister Pavel Grachev himself stood up in firm support of him, President Boris Yeltsin was forced to temporarily remove the colonel general from his duties.

The career of the other dismissed deputy minister, Georgiy Kondratyev, was also apparently hitherto successful. In the circle of high-ranking officers he is rightfully considered as one of the people who initiated the creation of the Russian peacekeeping forces. The colonel general is convinced that he "always carried out his duties conscientiously" and did not deserve to be dismissed. Many people assess his dismissal as retribution for overzealous criticism of the "Chechnya operation." However, informed sources maintain that, while the president was vacillating, Georgiy Kondratyev's latest statements on the Abkhaz problem put diplomatic circles out of countenance and so tipped the balance. Thus, the staff structure in the Russian Federation Defense Ministry leadership currently looks like this: Mikhail Kolesnikov and Andrey Kokoshin remain as first deputy defense ministers. Anatoliy Solomatin and Vladimir Churanov have recently been added to the two previous deputy ministers, Konstantin Kobets and Vladimir Toporov. Solomatin will supervise construction and the billeting of troops, and Churanov will cover rear services. Deputy Minister Boris Gromov, as has just become known, has been attached to the Foreign Ministry "as chief military expert for special missions." The fate of Valeriy Mironov, the other "disgraced" deputy minister, has not yet been decided.

Relations between Pavel Grachev and Boris Gromov have been particularly scandalous recently, and have clearly gone beyond the bounds of regulations in their polemical "pluralism." Their public debate, which is being splashed all over newspaper pages and television screens, testifies to a serious crisis in the Army leadership and is causing irritation among the civilian public as well as suspicion that the military, who are instructed by the Constitution to stay out of politics, are striving to take the political helm of the country.

All the indications are that a cadre purge is imminent in other generals' echelons too. The war in Chechnya has shown that it is clearly high time for this question to be dealt with, because, as State Duma Chairman Ivan Rybkin noted so accurately, certain top military officials "like everything to do with military service except for military operations, and these, unfortunately, do occur." However, a lot of people are concerned by the question of how the "attestation" of the professional qualities of generals will be done, and how their future will be decided.

For instance, General A. Mityukhin, who served in Germany for 17 years, was appointed commander of the North Caucasus Military District at the wish of Pavel Grachev. During the first few days of the military operation, the commander showed himself a poor military leader and was replaced by General A. Kvashnin—deputy chief of the General Staff Main Operations

Directorate. As experience has shown, the decision was a good and effective one, but the following is noteworthy.

During an operation on 31 December, Division Commander General Petruk panicked and failed to carry out the task of capturing a station. On 1 January A. Kvashnin, who flew in to the "front line," removed him and replaced him with General Todorov, district deputy commander for combat training. He had been recommended to Kvashin as a line officer, an "Afghan." Todorov promised to carry out the task, but once Kvashnin had gone he failed to make a start on advancing the subunits, even though he reported to the staff that he was moving to the assistance of some blockaded men. On 2 January Kvashnin flew to the "front line" again and this time removed Todorov, replacing him with General Babichev, who advanced toward the station within two hours with two battalions.

You will agree that even during combat actions such reshuffles and randomness in appointing commanders are incomprehensible and unforgivable. The military's low standards and superficiality in resolving its cadre problems are such as to provoke caution.

Once again, rumors have surfaced about the imminent dismissal of Pavel Grachev from the post of Russian Federation defense minister. And although he himself casually rejects this idea, you could say that in society the belief that Pavel Grachev must go has formed definitively. The attacks against him in themselves no longer surprise anyone and have become almost the norm in Russia's recent political life. But worrying symptoms have now appeared: While Pavel Grachev's opponents are blaming him for all the mistakes of the Chechnya war, the current defense minister's supporters are tellingly silent. And maybe for the first time the public's dissatisfaction with Pavel Grachev has coincided with the vacillations of the Russian president on this subject. The defense minister was too incautious when he recently emphasized Boris Yeltsin's dependence on Pavel Grachev. And things like that are not always forgiven. Of course, no one changes horses in midstream, but it looks as though the stream is nearly crossed.

Grachev TV Statement on Kovalev, Yushenkov

95UM0270A Moscow MOSCOW NEWS in English No 4, 27 Jan-2 Feb 95 p 3

[FBIS Transcribed Text] Defense Minister Pavel Grachev's press conference of last week, given with two other "power ministers" (Yerin and Stepashin) and televised in part by Ostankino, produced such a stunning impression on public opinion that our editorial staff found it expedient to print the text.

Published below is the transcribed version of Grachev's press conference. It was held in Mozdok and took place right after Grachev's January 20 announcement congratulating officers upon completing "the first stage of the operation aimed at re-establishing constitutional order in Chechnya." He congratulated some people on victory and declared war on others.

Grachev: ...Look how good the Chechens are, how they fight... Young officers—they have been here—say: "Comrade Minister, we will finish now and go to settle accounts with those who..." And they will go. They are not even those Afghan vets. Afghanistan in comparison with Chechnya is nonsense.

Pavel Sergeyevich, I would like to thank the commander-in-chief of the Air Force. He put us on the plane... they are good boys.

Grachev (vigorously gesticulating): Two weeks ago we were sitting around and holding a press conference. This is already a terrible cancer disease which has been accumulating not for three years but for at least seven. All the riff-raff, all the bandits who saved themselves from criminal prosecution, all the foreign scum who flourished on unaccounted oil, on unaccounted drugs, gathered here, and they were protected. They perpetrated whatever they liked. Not a kopeck into the budget of the state. And they are being defended! By the peacemakers, deputies, some of our valiant mass communication media. What is it, has the fifth column been formed in Russia? Whom are you against? Do you want this cancer to spread all over Russia? It hurts! Officers in trenches, soldiers, 18-year-old boys. Of course, it was not desirable to use them, but we have nobody else. Regrettably, those drafted in our country are 18-year-olds. Although I as the Defense Minister have said that we need to call up all those individuals who are healthy and at least 21 years of age, but so far I have not been listened to. And these 18-year-old boys (smiling) under the leadership of our gallant officers and generals, not having superiority in manpower but having good knowledge, have made short shrift of professionals, of tough men from the other side who are 30-35-years old; they have experience, they have passed through the army and through tough situations. You have seen for yourselves how many professional foreign mercenaries there are here. And these 18-year-old boys were dying, and dying with a smile, for Russia. There is a need to put up a monument to them! And this peacemaker, Deputy Kovalev! But no place has been left where to put a stigma on him! He is an enemy of Russia, a traitor to Russia! But he is being met everywhere there. This Yushenkov, this skunk, for whom no other epithet can be found, reviles that army which has given an education and rank to him. Regrettably, in keeping with the resolution, he is still a colonel of the Russian army. And he, this skunk, is defending those scoundrels who want to ruin the country. I don't understand this. I don't want to say that I am the only patriot in Russia. You have seen today in the trenches: they are all patriots there—18-year-olds, 19-year-olds, 50-year-olds, and they all die, from private to general, but nobody is leaving their position.

I give a command: boys, the battalion which has been fighting from the first day has been worn out. Let us withdraw it, let them have a rest for a fortnight, and then we shall commit it to the protection of the airdrome or the Severny airport where everything is practiaclly quiet now. They won't leave! The lightly wounded won't leave! The shell-shocked won't leave! And nobody shows this on TV, nobody speaks about this. How is this possible? Can you consider yourself to be a Russian if you are going all out to tear Russia apart? What for? For that green buck, for that stinking dollar?

Pavel Sergeyevich, what will now happen to the south of Chechnya?

Grachev: Today at 16:00 hours I reported to the president that the armed forces had completely accomplished the mission which was set to them. Tomorrow the Minister of Internal Affairs and I will fly to Moscow where there will be a meeting with the President, with the leadership, maybe also with the Security Council. The functions of the concluding stage will already be given to the Ministry of Internal Affairs, now already with the assistance of the armed forces. The main aid will be rendered primarily by the Air Force, artillery and the now most powerful mobile groups which we have set up to complete the cleansing and disarm the unlawful formations. Therefore, having accomplished the mission, we will need to spend two-three days on thoroughly cleansing the main part of the city which has already been seized completely today, whereupon we shall move to the south.

Have large forces accumulated there?

Grachev: No such forces already exist. There will be no uphill battles, this is beyond all doubt, which is why we shall plan no very complicated operations. There will be ordinary militia-interior functions in cleansing the territory—task force-army operations. As far as the bases which the militants are planning to set up are concerned, we know not only their approximate but even precise coordinates both along the line of the Federal Counterintelligence Service and the Main Intelligence Directorate, and also from local inhabitants. If anything like this happens, they will, of course, be destroyed in the mountains. We shall decide in what way this will occur. We will not stop. We can only stop when the President passes a decision on the basis of an ultimatum.

Yerin: We have constantly suggested that arms be surrendered, from the first day of our operations in the Chechen Republic we have been suggesting that people stop shooting, that arms be surrendered, and hostilities be voluntarily discontinued. We made such attempts up until yesterday, and even today. It's a different matter that we are offering an ultimatum, we do not suggest that talks be carried out on some terms, ceasefire or on some pauses.

Are all the soldiers against this?

Grachev: You have seen at the front lines, you have seen that all soldiers say that there can be no truce. Here there can be only an ultimatum, the white flag and the organized surrender of weapons and remaining equipment. Because no soldier and no officer who has smelled gunpowder and seen the blood of his comrades will accept anything else any longer. And I, the defense minister, do not have even a moral right to make them change their mind by telling them: that's all, you go, the whole thing ends by this because they have offered peace. First, there is nobody over there to offer peace. Second, reason must prevail even among those people who have been left. And reason must consist in the need to drive away the foreigners immediately and to find resolute junior-level field commanders who must come and say: that's all, sorry, wind up, take a decision, we surrender. Then there will be peace. Just imagine: one hears it said about us that we are bombing the city, other inhabited localities, and so on—but nothing of the kind! We are not bombing anything. THIS REPORT MAY

'Progress M-26' Launched With Equipment for U.S. Astronaut

LD1502180695 Moscow ITAR-TASS in English 1723 GMT 15 Feb 95

[By ITAR-TASS correspondent Anna Bakina]

[FBIS Transcribed Text] Moscow February 15 TASS—Russia successfully launched the transport "Progress M-26" spaceship on Wednesday [15 February] which will dock with the "Mir" space station and deliver equipment for US astronaut Norman Thagard who is to arrive to the "Mir" in March.

The launch took place at 19.48 hours Moscow time /16.48 GMT/ from the Baykonur cosmodrome in Kazakhstan and became the first launch from the site this year.

The transport ship carries 100 kilogrammes of U.S. equipment which will be used by Thagard who is to blast off for the "Mir" onboard the "Soyuz TM-21" spaceship from Baykonur on March 14.

The "Progress M-26" will deliver a total of over two tonnes of cargo to the space station.

Federal Assembly

State Duma Supports 'First Moves' on Chechen Cease-Fire

LD1502114295 Moscow ITAR-TASS in English 1100 GMT 15 Feb 95

[By ITAR-TASS Parliamentary Correspondent Ivan Nonikov]

[FBIS Transcribed Text] Moscow February 15—The State Duma (Russian parliament lower house) supports the first moves by the command of the united group of federal troops in Chechnya and commanders of Chechen armed detachments on a ceasefire and exchange of prisoners of war, says a decision by the Chamber adopted at a plenary meeting on Wednesday.

The decision stresses that the State Duma is "ready to actively participate in the peace process."

'Duma Sources' Cited on Expected Leadership Reshuffle

MM1502161995 Moscow IZVESTIYA in Russian 16 Feb 95 p 1

[Report by Sergey Chugayev: "The President Will Deliver His Message and Will Then Rearrange Cadres"]

[FBIS Translated Text] Probably not very many people among those who are involved in big politics in Russia today doubt that major personnel rearrangements will occur after the president's speech to members of the Federal Assembly. This will conclude, as it were, the latest stage in the evolution of Russian politics.

This is why the amusement of laying out a game of cadre patience has these days once again become the favorite pastime both in the government lobbies and in the corridors of parliament. In the view of very well-informed sources in the State Duma, the following option for rearrangements seems most likely: O. Lobov leaves the post of Security Council secretary, and his place is taken by S. Stepashin. Stepashin's place is taken, in turn, by General Barsukov. Foreign Minister A. Kozyrev heads for New York as Russia's representative at the United Nations, freeing his chair for Ye. Primakov. The resultant vacancy for the post of head of the Foreign Intelligence Service will be filled by Yu. Baturin. (It is not hard to note that the minister of defense does not figure in this "cadre patience").

Mindful of the new political trends in Russian politics that have become clear since the end of last year, it is impossible not to acknowledge that there is a certain logic in such a version of the expected personnel changes. The only puzzling element is the forecast of Lobov's dismissal. According to those same sources in the State Duma, the Security Council secretary has been very active right from the start of the Chechen conflict and has until very recently enjoyed the president's favor.

As confirmation of this, the sources in the Duma cite the fact that the president signed a document prepared by Lobov at the end of January, which, having been signed by the head of state, had to be carried out by all organs of executive power. The document instructs all the bodies engaged in eliminating the aftermath of the Chechen conflict to give priority in all instances to Chechnya's Russian population. Both when distributing humanitarian aid and when distributing posts in the local administrations that are being reinstated. It is perfectly obvious that the implementation of such decisions could move the conflict from the political to the interethnic sphere and as a result, could make the prospect of its settlement extremely remote. It has to be believed that the document's authors were not pursuing the aim of escalating a conflict when fragile chances of a political settlement have emerged in recent days. Most probably they simply failed to calculate the consequences of their decisions.

The Duma sources believe, however, that the birth of this document should not be considered the cause of Lobov's possible dismissal. It is more likely that either, as leader of the commission for investigating the Chechen events, he found something that he ought not to have found or, to use apparatus terminology, he had become too "strong" and posed a danger to his other colleagues. In any event the Duma sources do not rule out the possibility that the blame for the Chechnya failures might be placed precisely on the Security Council secretary.

Conterintelligence Service Renamed After Law Adopted

LD1502110995 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 15 Feb 95

[FBIS Translated Text] The State Duma has adopted, at its reading the law on the federal security bodies. The Federal Counterintelligence Service will become the Federal Security Service [Federalnaya Sluzhba Bezopasnosti]. According to the adopted document, its main task will be intelligence, counterintelligence, and the fight against all types of crime.

Estonian Assembly Statement Called 'Provocational Move'

LD1502131195 Moscow INTERFAX in English 1150 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—The State Duma assesses the statement of Estonia's State Assembly "On Exercising of the Rights of the Chechen People to Self- Determination" adopted February 13 as "a provocational move," says a draft statement of the lower chamber prepared by the State Duma International Affairs Committee.

Deputies of Estonia's State Assembly recommended their government, in particular, "to recognize the Chechen republic, Ichkeria, upon the first opportunity, international situation permitting."

The draft statement qualifies recommendations of the Estonian parliamentarians as "an attempt to induce the government of the Estonian republic to interfere in the internal affairs of the Russian Federation." "This statement of the Estonian parliamentarians is of a dangerous instigative nature, especially in the light of the agreement on cessation of hostilities and exchange of prisoners of war" and is aimed "at worsening the situation in the North Caucasus," the draft documents says.

At the sitting of the lower chamber Wednesday, Ivan Rybkin reported that the State Duma cancelled a trip by a State Duma delegation to Tallinn, in the framework of the interparliamentary cooperation, scheduled for this week.

Duma Official Views Chechnya, NATO Expansion

AU1502201695 Bratislava PRAVDA in Slovak 10 Feb 95 pp 1,20

["Substantial part" of interview with Mikhail Mityukov, first deputy chairman of the Russian Federation State Duma, by Ivan Drabek and Julius Lorincz in Bratislava on 9 February: "Concern About a Relapse Into Blocs"]

[FBIS Translated Text] The several-day visit by a Russian parliamentary delegation to Slovakia came to an end yesterday. It was led by Mikhail Mityukov, the first deputy chairman of the Russian Federation Federal Assembly State Duma, who also heads the State Duma's delegation to the North Atlantic Assembly where the issues surrounding NATO's enlargement are discussed a great deal. He granted us an interview, a substantial part of which we are now publishing.

[PRAVDA] We will begin, perhaps, with the reason for your visit to Slovakia a few days before the arrival in Bratislava of Russian Federation Prime Minister Viktor Chernomyrdin.

[Mityukov] From the point of view of Russia's state interests, the Slovak Republic is one of our most important partners. The aim of our visit, among other things, was to highlight the importance of Slovakia for our policy.

[PRAVDA] Excuse us, but, compared with Russia, Slovakia is just a small country. Does this not present a stumbling block?

[Mityukov] I think that the approach to other states when we divided them into small, medium-sized, or large is behind us. There are geopolitical interests of states and there are interests that determine the prospects for the development of individual countries in the future. We have traditional ties with Slovakia. The history of Russo-Slovak relations goes back for hundreds of years, and Slovakia is now a Central European country in which people view Russia without great prejudices. When I came here, I expected that, as in other countries, people would ask me improper questions associated with our domestic policy, with the tragedy in the Chechen Republic. In your country, however, people obviously understand that, although the Chechen problem is associated—in global dimensions—with the issue of human rights, it is also a domestic matter for the Russian Federation. It came as a pleasant surprise to me that, at meetings with all the politicians, the chairmen of the most important National Council committees, the foreign minister, and the chairman of parliament, such an attitude toward the Chechen events was often expressed.

[PRAVDA] You have begun to talk about Chechnya; we wanted to ask you about it. How do you in Moscow assess this dramatic crisis in the northern Caucasus?

[Mityukov] Naturally, my position as first deputy chairman of the State Duma predetermines that I must formulate this assessment from the stances of the State Duma, in which a very reserved point of view prevails. The deputies mostly say that Chechnya is our internal affair. Our government and executive structures, unfortunately, did not deal with this issue at the required level and did not make use of all the political methods for resolving the crisis by means of negotiations. These views are also being expressed in parliament, but—at the same time—parliament is avoiding a solution to the sensitive issues associated with the demand, for example, that the president recall Grachev from his post as defense minister. A proposal for the immediate cessation of the military operation in Chechnya was not passed. However, the fact that I am a representative of a parliamentary club, Russia's Choice, that has adopted a clear-cut anti-war stance and has condemned our policy in the Chechen Republic is another matter.

[PRAVDA] Has the Chechen crisis altered the distribution of forces in parliament? Some of the votes taken in the State Duma recently have created the impression that the parties are no longer divided into those who support and those who reject reform, but are split mainly on the basis of their attitude toward the Chechen war. Some observers are even claiming that there are only two factions in the Russian parliament—the majority "war side" and all the others...

[Mityukov] In my view, this is a too oversimplified conclusion that does not take many nuances into consideration. In connection with the military operation in Chechnya, Zhirinovskiy's liberal democrats supported the president, the communists and agrarians are close to this, and Russia's Choice, Yabloko, and the Women of Russia are sharply opposed to it. Those who were closer to the president or were even among his supporters are now bitter critics of the government's policy in Chechnya and those who previously attacked him now approve of his stance. In general, it is difficult to tell who in the Russian parliament belongs to the governing coalition and who is in the opposition. The combination is changing all the time. This situation may even be advantageous for the president, because he can always find support in parliament for his measures. I think that, with the passing of time—in a year or more—it will be possible to assess the entire Chechen drama more easily. And, as is the custom in Russian society—scapegoats and those who were right will be ascertained.

[PRAVDA] Why does Russia have reservations against NATO's possible enlargement toward the East? Why does it consider this to be a threat?

[Mityukov] Russia's standpoint on this issue is, in principle, cautious. We are opposed to the rapid enlargement of NATO. We attached major importance to the so-called Partnership for Peace process, and we assumed that this involved the long-term stage of the reform and enlargement of NATO. We have to prepare ourselves psychologically for such a step. And, let us not forget, that in Russia it is necessary to take into consideration the population's views on NATO. Despite five years of a democratic regime, the attitude toward NATO in the mainstream of Russia's population has not changed.

People perceive NATO not as a political organization, but as a military one, and they look upon its enlargement as an act oriented against Russia that will lead to its isolation. Nationalist circles, especially Zhirinovskiy's party, are speculating on this feeling of threat among a large part of society, that is, in the final analysis, this act is directed against the democratic system in Russia.

In principle, we are not opposed to NATO's enlargement as an element of the Alliance's transformation. Russia is calling for the Partnership for Peace program to be developed—for instance, to test how capable it is of dealing with the issues associated with Europe's security. Let us examine how, in this sphere, the other institutions—including the North Atlantic Cooperation Council and the Organization for Security and Cooperation in Europe [OSCE]—will be able to make themselves felt. I think that the issue of NATO's enlargement is not an issue for today—it is, obviously, an issue for the beginning of the 21st century. I know that the interests of the Central European countries that have experience of communication with the former Soviet Union are being taken into consideration and that a kind of terror of this monster haunts them. The imperial card, that Russia may threaten the interests of the Central European countries, is being drawn. It has to be admitted that the situation in Chechnya has played into the hands of these claims.

[PRAVDA] However, the fact is that NATO is currently the only effective security structure and, therefore, it is attractive for the Central European countries...

[Mityukov] At the moment, there is no effective security system in Europe. Neither NATO nor the OSCE are effective. The conflict in the former Yugoslavia has demonstrated this. Therefore, today, the task of creating a new collective security system in Europe is indeed a real one—we are going through a period of the theoretical and practical search for a security mechanism. Differences in interests are manifesting themselves in this search. It is certain, however, that enlarging NATO without Russia may cause a relapse into bloc thinking and bloc practice where one group of countries is placed against others. This is extremely dangerous.

[PRAVDA] Do you think that there is a chance that Russia's negative stance toward NATO's enlargement to include the Central European countries may change at the beginning of the next century?

[Mityukov] All European countries have to arrive on the threshold of the 21st century with an understanding of their situation and future prospects. Russia is not opposed to the idea that it could be in NATO. The problem is that we understood the Partnership for Peace program to be a long-term preparatory process for the changes that have to be made. Some Western countries, however, accepted it as a tactical measure and turned it into a one- day wonder that they have put behind them and are now moving on to enlarging NATO. Russia once again, thanks to its Slavic trustfulness, took very seriously something to which, perhaps, some politicians did not attach serious importance. It is difficult to forecast what Russia's view on NATO will be at the beginning of the 21st century... I think that, first and foremost, it will promote a concept for reliable collective European security.

[PRAVDA] Do you also envisage the evolution of the West's stance...

[Mityukov] Sensible politicians must always allow for the evolution of their views depending on the political and economic realities, because stubbornness causes a situation, for example, like the one in which two billy goats are trying to cross a narrow footbridge at the same time and, in the end, they both end up in the river.

[PRAVDA] You said that you encountered greater understanding in Slovakia than in other Central European countries for Russia's standpoints...

[Mityukov] ...I even felt this in questions regarding NATO. I gained the impression that in Slovakia an opinion is being formed—I do not know if it is very popular or not, or if it is the prevailing one or not—but, in any event, individual politicians are talking about so-called positive neutrality in issues of NATO's enlargement. This means that Slovakia is approaching this issue, in principle, level-headedly from the point of view of the guarantees for the Slovak state's security. One politician asked me what kind of guarantees Slovakia will have if it enters, or does not enter, NATO; I understand his question. If the Slovak Republic were to go along a path of neutrality—I do not want to recommend or assert anything, however, because this is Slovakia's internal affair—then, naturally, it would have to receive international political guarantees for its neutrality. It does not make sense without this.

[Bratislava SME in Slovak on the same date on page 2, under the headline "Even Entry Into NATO Will Not Guarantee Security," carries a 400-word "(rk)"-attributed report on Mityukov's visit. In connection with the issue of NATO's enlargement, the daily quotes Mityukov as follows: "If the nationalist and extremist forces were to come to power in Russia, then even the Visegrad Four countries' entry into NATO would not guarantee their security. The only guarantee for the security of the Visegrad Four countries can be a democratic regime in Russia." He continues: "The endeavors by the countries of Central and Eastern Europe to obtain membership in NATO are having a paradoxical impact on the position of the democratic forces in Russia and are providing indirect support for the nationalist groupings represented in the Russian parliament by V. Zhirinovskiy's faction."]

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Government Reports Cease-Fire Violations

LD1502145395 Moscow ITAR-TASS in English 1431 GMT 15 Feb 95

[FBIS Transcribed Text] Moscow February 15 TASS—The Russian Government accused Chechen militants of violating the heavy guns ceasefire agreed on Monday and said rebel field commanders impede contacts between Russian troops and Chechen elders.

"Despite a temporary ceasefire agreement and the disengagement of units of opposing parties by 1 kilometre, illegal armed formations attacked a rear column of Russian troops near the settlement of Samashki. The Southern Group of Troops several times came under mortar, artillery and small arms fire from the settlements of Chernorechye and Alkhan-Kala", the government press service said on Wednesday [15 February].

"Field commanders of illegal armed units impede contacts between representatives of Russian troops and elders from settlements of the Chechen Republic. According to available information, in response to the decision of residents of the settlement of Shatoy on neutrality towards federal troops, Dudayev stated that he has "enough strength and people to wipe the settlement off the earth", the press service said.

It added that over the past 24 hours 20 Chechen militants and two armoured vehicles were eliminated and two machine guns, two submachine guns, one rifle, three pistols, six hunter's rifles, five grenade launchers, 30,635 rounds of ammunition and 728 kilogrammes of explosives were seized.

Udugov Reports Violations

LD1502181795 Moscow INTERFAX in English 1709 GMT 15 Feb 95

[FBIS Transcribed Text] GROZNYY, Feb 15 (Interfax)— Head of the Chechen Information Service Movladiy Udugov said that Russian artillery had dealt a mass artillery-missile blow on the town of Argun (20 kilometers to the east of Groznyy) on Tuesday [14 February].

Udugov said some living districts had been partially destroyed. He said there had been no victims among civilians as they had managed to leave the town beforehand.

Udugov said the southern and southeastern districts on Groznyy controlled by Chechen militants and the dike of the Groznyy water storage had come under mass fire from mortars today.

However, Udugov said "Russian aviation was not seen today."

Spokesmen Comment on Cease-Fire Talks

LD1502191895 Moscow Russian Television Network in Russian 1700 GMT 15 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] The second stage of the talks between Col-Gen Anatoliy Kulikov, commander of the combined group, and Dzhokhar Dudayev's military commanders took place in Chechnya today. The Chechen side continues to insist on the withdrawal of Russian troops from the republic's territory.

[Begin recording] [Chechen field commander Shamil Basayev] We did not come here to ask for peace. At least I didn't. In short, I believe in taking a tough line because they've destroyed half the republic and made beggars of the whole population. It was genocide. And I am against concessions or anything of the sort. [passage omitted]

[Kulikov] Of course a lot of field commanders are finding it hard today to cross the threshold of their feelings and their convictions. But in the name of ending the bloodshed, in the name of restoring a decent peaceful life more quickly, I think that they understand that, at the end of the day, they have to cross that threshold. [end recording]

There are plans for a meeting at 1200 [0900 GMT] in Groznyy tomorrow between the military leadership and representatives of Dzhokhar Dudayev's armed formations to discuss the possibility of collecting the bodies of dead Russian soldiers.

Basayev Expects Little From Talks

LD1502182695 Moscow INTERFAX in English 1709 GMT 15 Feb 95

[FBIS Transcribed Text] NAZRAN, Feb 15 (Interfax)—The commander of an Abkhazian [as received] battalion, Shamil Basayev, said in Sleptsovskaya Wednesday after the end of the second round of talks with the Russian military that he "did not expect much from the talks." Basayev enjoys much popularity and authority among pro- Dudayev militants.

In an interview with Interfax, Basayev said the Russian side "put forward unacceptable conditions, directing the talks into a political channel, while the Chechen side was empowered to discuss the military aspects only."

At the same time, Basayev described as "very important" the fact that the agreement reached "will give a two-day break." "I disagree with extending the term, since the Russian side will be able to use the time to regroup its forces," he added.

Defense Ministry Views Combat Operations

LD1502161395 Moscow INTERFAX in English 1449 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—According to a Russian Defense Ministry report the allied group of Russian troops in Chechnya has "been fulfilling combat tasks and regrouping forces" over the past 24 hours. Aviation was not involved in combat operations but made air reconnaissance, transmitted commands and transported personnel and cargo.

Despite the agreement of February 14 to suspend combat operations and for the warring sides to withdraw one kilometer each, in the area of the Samashki population center, West of Groznyy, militants attacked a rear column of Russian troops. The Southern group of troops repeatedly came under fire from mortars, artillery and fire arms from the direction of the population centers of Chernorechye and Alkhay-Kala.

A report circulated by the Russian Government press service says that the militant's field commanders are hampering contacts between the Russian troops and the councils of elders in Chechen settlements. According to reports reaching Moscow, the decision of Shatoy residents to be neutral regarding the federal troops was taken by Dzhokhar Dudayev in the following way: "I have enough strength and personnel to raze the settlement to the ground."

According to the Russian Interior Ministry, the Interior troops and Interior bodies supported by Army servicemen have disarmed several Dudayev units, mainly in downtown Groznyy and in the area of the Assinovskaya settlement.

Traffic police are guarding the railroad. Five local residents were detained at the Chervlennaya-Uzlovaya station by police as a suspect to a crime. An investigation is underway.

A total of 20 militants have been killed, six people have been detained as suspects in crimes, two machine-guns, one rifle, three pistols and hunters' guns, five grenade launchers, 30,635 pieces of ammunition and 728 kilos of explosives have been confiscated and two APCs have been destroyed, reports the press service.

The Stavropol Territorial Interior Department is working to prevent penetration of illegal armed groups into and from Chechnya. A MAZ-5337 truck carrying seven people was detained by police officers at the check-point #1 in the Russkoy settlement, the Kurskiy region. A search of the truck revealed eleven flame-throwers, ten grenade-launchers, 15,503 cartridges and other arms. The seven truck passengers were detained, an investigation is underway.

Voluntary disarmament is increasingly reported in the Chechen Nadterechny, Naurskiy, Shchelkovskiy and Urus-Martan regions. A total of 35 rifles were voluntary laid down by residents of the Naurskiy region and four rifles by residents of the Nadterechny region.

Demilitarized Zone Proposed

LD1502164295 Moscow ITAR-TASS in English 1600 GMT 15 Feb 95

[By ITAR-TASS correspondent Sergey Babkin]

[FBIS Transcribed Text] Mozdok February 15 TASS—"The Russian side proposed to create a demilitarised zone in Groznyy" and the proposal is being considered by Chechen fighters, Anatoliy Kulikov, Russian interior troops commander, told a press conference in the North Ossetian city of Mozdok on Wednesday commenting on the second round of talks with Chechen military leaders.

"There will be no civil war", Kulikov promised.

He confirmed that the conflicting parties had agreed on Wednesday on a complete ceasefire beginning from Wednesday midnight.

News Conference on Talks With Dudayev's Supporters

LD1502185095 Moscow ITAR-TASS World Service in Russian 1706 GMT 15 Feb 95

[By ITAR-TASS special correspondent Sergey Babkin]

[FBIS Translated Text] Mozdok (North Ossetia). 15 Feb—We have succeeded in averting a civil and a Caucasian war, Anatoliy Kulikov, commander of the federal troops in Chechnya, said here today at a news conference on the results of the talks held today with representatives of the Dudayev opposition. According to his evaluation, even though the sides' position along the line of their contact has remained virtually unchanged since the beginning of February, "the situation in Chechnya has changed fundamentally" in substance.

As of today the Dudayev units control part of the blocks of buildings in Oktyabrskiy district in the southwest of the Chechen capital. However, in the course of the second round of talks the sides agreed to cease-fire from all kinds of weapons from 0000 hours on 16 February.

The situation in the town is gradually returning to normal, according to the commander's assessment. In the districts of Groznyy controlled by the federal troops bread is being issued to the population free of charge, but there is not enough. Many blocks of buildings in the town have been mined by Dudayev's supporters. In this connection, the North Caucasian Military District has given an instruction for additional sapper units to be transferred to the conflict zone.

Replying to a question put by the ITAR-TASS correspondent on the situation in the regions of Chechnya where the main forces of the Dudayev units are deployed, Anatoliy Kulikov noted that there are instances of the local population impeding militants' operations near inhabited localities. In these conditions "only a madman could call for a war to the last man," the general said.

Dudayev Supporters Promise U.S. Stingers

LD1502210895 Moscow NTV in Russian 1900 GMT 15 Feb 95

[FBIS Translated Text] It seems that Dudayev is counting on substantial support from abroad. Voice communications between Dudayev and his supporters in Azerbaijan, which were intercepted by the intelligence service, prove this. His Azeri supporters spoke about sending 50 U.S. Stinger missiles to Chechnya. They also said that they had sent their people to one of the neighboring countries for some more Singers.

Dudayev in 'Reserve' Headquarters

LD1502211495 Moscow INTERFAX in English 1924 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—Dzhokhar Dudayev, "now in the reserve headquarters in the outskirts of Groznyy, has absolute and full control over the entire territory controlled by Chechen forces," Head of the Chechen Information Service Movladiy Udugov told Interfax in an interview on the phone today.

Udugov said it was unreasonable to stake at the so-called field commanders in order to make people believe that the Chechen government failed to manage the situation.

He said such a position was unpromising. Udugov said there were no field commanders "about who Moscow speaks" in Chechnya. He said the Chechen government "warns that statements about readiness to negotiate with field commanders are absolutely unpromising."

Udugov said there was Groznyy for talks with Moscow.

He said that the Chechen government once again stated its preparedness for talks and urged the Russian government to back its idea of developing peace process in the Caucasus.

Udugov said Chechnya "welcomes any initiative no matter whether it was introduced by the OSCE, the UN or the Organization of Unrepresented Peoples." He said Chechnya was in favor of creating a Caucasian regional branch of the OSCE in order to prevent military actions from beginning and spreading in the Caucasus which "is one of the most complex regions of the world."

Russians Demand Chechens Surrender Heavy Weapons

LD1502211195 Moscow INTERFAX in English 1925 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—The commander of the Russian army forces in Chechnya, General Anatoliy Kulikov, on Wednesday gave a news conference to sum up talks he had earlier in the day with Chechen commanders, the Russian government reported.

"In the course of the negotiations the sides noted a considerable decrease in the intensity of use of heavy weapons after the first round of negotiations (held on Monday)," the conference, held in Mozdok, North Ossetia, was told, according to the report, issued by the government press service's Mobile Information Center. Kulikov announced proposals and conditions made by the Russian negotiators: "cessation of hostilities on both sides, release of all prisoners of war, regardless of the proportion in which their numbers on each side stand to each other, disbandment of illegal armed formations and surrender by them of heavy weapons, the right to form self-defense detachments in towns and villages whose numerical strength should depend on the number of people living there, and putting small arms under the control of local government bodies of the towns and villages. In case the population of a town or village decides not to take part in the armed struggle, there will be guarantees that federal troops will not enter its territory and will not prosecute members of illegal armed formations, except for those who were prosecuted earlier and evaded prosecution by taking refuge in Chechnya."

The Chechen delegation—military chief of staff Aslan Maskhadov and field commanders Shamil Basayev and Ruslan Alikhodzhayev - demanded withdrawal of Russian troops from the breakaway republic, according to the report.

The talks resulted in a cease-fire for all types of weapons, to come into force at midnight on Wednesday, the report says.

It says the Chechen side agreed to consider a Russian proposal for making the republic's capital, Groznyy, a demilitarized area.

Russian Troops Control Virtually All Groznyy

LD1502211995 Moscow INTERFAX in English 1925 GMT 15 Feb 95

[FBIS Transcribed Text] GROZNYY, Feb 15 (Interfax)—Virtually all of Groznyy is under control by the Russian federal troops, an Interfax correspondent reported from the city Wednesday [15 February].

Normal life is being slowly restored in Grozny. Rescue workers daily evacuate wounded and diseased persons to Mozdok. Motorcades with food and humanitarian aid are constantly arriving from Mozdok. Seven Kamaz trucks delivered flour, sugar, oatmeal and canned beef to Groznyy, the Interfax correspondent reported.

The city is divided into seven sections where food is distributed among the locals. However, there still is a shortage of medications, especially for elderly people, many of whom spent nearly two months in damp and cold undergrounds, the Interfax correspondent said.

Federal Troops Report Cease-Fire Holding

LD1602073695 Moscow ITAR-TASS World Service in Russian 0655 GMT 16 Feb 95

[By ITAR-TASS special correspondent Sergey Babkin]

[FBIS Translated Text] Mozdok, 16 February—The agreement on a cease-fire in the Chechen Republic's conflict zone which came into force at 0000 local time today (2100 GMT on 15 February) is being observed on the whole, Colonel Vladimir Vorontsov, a representative of the press center of the joint command of the group of federal troops in Chechnya, has said in an interview with ITAR-TASS.

He reported that there had been four sporadic exchanges of fire on Wednesday evening on the line of confrontation between the sides, the last of which had died down at 2315 GMT. There had been no further exchanges of fire. "From this it can be concluded that the operations of the field commanders observing the conditions of the cease-fire agreement are under the control of the higher command of the illegal armed formations," Vladimir Vorontsov said.

Casualty Figures Said Falsified

954Q0126A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 10 Feb 95 p 1

[Article by Yelena Afanasyeva: "'Massive Destruction of the Corpses of Russian Soldiers Is Going On'—This Is the Conclusion of the 'Memorial' Society, Whose Members Just Returned From Chechnya"]

[FBIS Translated Text] "Dozens of corpses of Russian soldiers are being thrown into silage pits and are being covered with tanks. There is a minimum of 200 corpses in each such burial"—this data, which was acquired by eight members of the Memorial society, was reported by Yuliy Rybakov, a Duma deputy of the Russia's Choice faction and member of a delegation that just returned from Chechnya. He named two similar secret burial places known to Memorial—at the 15th Milk Plant and in the Solenaya Gorge, near the Pervomayskaya Cossack village.

In addition, testimony was received from residents of mountain hamlets who had seen how corpses of Russian servicemen were thrown into the gorge from helicopters.

"An intense effort is under way to conceal the scale of the losses," Yuliy Rybakov concluded.

The Memorial delegation and the Duma have launched an effort to properly investigate and disclose the scale of losses among the peaceful population of Chechnya. Four hundred refugees were questioned, and each of them gave information about hundreds of their relatives and acquaintances. On the basis of this information, Yuliy Rybakov cited the following figures: Losses among the peaceful population totaled 25,000 persons. At the same time, there is no accurate information about the fates of approximately 120,000 peaceful residents who remain in Groznyy. Of those who died, 18,700 were killed as a result of bombings and artillery shelling, 1,900 died from unaimed fire, 1,900 died from sniper shooting, 1,900 were shot and murdered in looting, and another 450 died of heart attacks and various other illnesses. The losses of armed Chechens, in Rybakov's opinion, totaled 3,000-4,000 persons. The Memorial society has lists of names.

"The Chechens today have 15,000 combatants who are fighting according to the "watch method," the deputy believes.

The purpose of the delegation's trip was to exchange 15 Russian prisoners of war for Chechens. But the Chechen side considered the exchange unequal, inasmuch as the list presented for the exchange contained peaceful Chechen residents and not military personnel. Resistance leader Masnadov declared that "if Russia does not need its sons, then they will not return home until after the war." As for the unrealized exchange, members of the Memorial society came to the conclusion that the Russian side simply had no one to present in the exchange, since "captured Chechen servicemen do not reach filtration camps, but are subject to acute torture and are exterminated along the way."

"Russian troops are conducting themselves monstrously with respect to the peaceful population, and this applies particularly to the OMON [special purpose militia detachment] and MVD [Ministry of Internal Affairs] troops," Rybakov declared. "Resistance detachments crop up where the Russian troops are present, and the old men summon the young to take up arms."

According to Rybakov's information, a conference of elders is scheduled for the near future that might call the entire nation to war and prevent Dudayev from conducting any kind of negotiations with Russia.

Chechen Speaker's Proposals on Ending Crisis

MK1602110095 Moscow NEZAVISIMAYA GAZETA in Russian 16 Feb 95 p 1

[Article by Yusup Soslambekov, chairman of the Chechen Republic parliament, under the "Document" rubric: "There's Still a Chance. Proposals on Ending the Chechen Crisis"]

[FBIS Translated Text] Russian Federation leaders have repeatedly stated that they will never hold any talks with Dudayev and those around him. The General Prosecutor's Office hastened to institute criminal proceedings against Dudayev declaring, him an outlaw. The possibility of stopping the bloodshed in these conditions has become almost unrealistic. The situation is being made worse also by the fact that the leaders of the Provisional Government and the Government of National Revival have been declared betrayers of the national interests and enemies of the people by the warring side of the Chechen people.

It becomes obvious in these conditions that the war in the Chechen Republic is only now beginning to gain momentum, threatening to spill over onto Dagestan and Ingushetia, neighboring with Chechnya, which in its turn does not rule out that it may develop from a local into a regional war with unpredictable consequences for all of Russia. To avoid a possible catastrophe for Russia, an unprecedented tragedy for its multinational people, it is necessary to utilize all possible options to end the war.

Options that may still prove effective even despite the fact that blood has already been shed, both sides have lost tens of thousands, and hundreds of thousands have found themselves to be refugees in their own country.

In my view, it is necessary for both sides to renounce the desire to achieve a military victory over the enemy, because there will be no victors in this war. History shows that purely forcible methods cannot accomplish anything in Chechnya; in the history of our people, force has been met with force, and the "victor" then found himself in more difficult conditions—no victory, but just a battle, now waning and then flaring up again.

The following suggested plan for a stage-by-stage settlement of the Chechen crisis" may serve as a basis.

1. It is necessary for members of parliament and the Chechen Republic Constitutional Court to persuade Dudayev to repeal the 17 April 1993 edict "On Suspending the Operation" of these bodies of power.

2. The Russian Federation leadership shall conditionally recognize the Constitution of the Chechen Republic. This will enable the Government of Russia to open talks with legitimate bodies of power of the Chechen Republic in the shape of parliament and the Constitutional Court of the Chechen Republic.

3. Official delegations led by the Russian Federation Government chairman on one hand, and the chairman of the Chechen Republic parliament on the other, shall conclude an agreement on using no force against each other and on putting a full stop to military operations using all types of arms.

4. As a great power and a side that made the decision "on carrying out the military operation" in the Chechen Republic, Russia must withdraw all military subunits of the Defense Ministry and the Ministry of Internal Affairs from the Chechen Republic.

5. The Chechen Republic parliament shall create a provisional coalition government of people's accord to include representatives of all political forces of the Chechen Republic with the participation of officially registered observers.

6. The Chechen Republic parliament, the Constitutional Court, and the provisional coalition government of people's accord will use their organizations and movements together with authoritative members of the clergy, intelligentsia, and elders of the Chechen Republic to organize work to disarm the population and reconcile vendetta-waging families, as well as to make preparations for free elections for the supreme bodies of the Chechen Republic.

7. The Chechen Republic parliament, in accordance with the Chechen Republic Constitution, shall approve a Central Electoral Commission, having secured the approval of its members by all political forces of the Chechen Republic. It shall hold, not later than 1995, elections for the supreme bodies of power of the Chechen Republic monitored by Russian and international observers.

8. The new leadership of the Chechen Republic elected through the free expression of the will of the Chechen Republic's people, and with participation of Russian and international observers, shall hold a referendum on the Chechen Republic's status with the following questions:

For which status of the Chechen Republic do you vote?

a) For independence of the Chechen Republic;

b) For confederation with the Russian Federation;

c) For an associate membership in the Russian Federation;

d) For sovereignty as part of the Russian Federation.

All questions pertaining to the creation of structures of federal administration in the Chechen Republic should be solved on the basis of results of the referendum, "On the Chechen Republic's Status." All decisions made by the Russian Federation Government on Chechnya without consent from the latter's leadership and with no regard to traditions and national specifics of the Chechen people shall lead to a protracted guerrilla war. Which, in its turn, would endanger not only the existence of the Chechen people, but the future of all Russia as well.

Tatarstan President Views Treaty With Russia

MM1602110395 Moscow ROSSIYSKAYA GAZETA in Russian 15 Feb 95 First Edition p 4

[Article by Mintimer Shaymiyev, president of the Republic of tatarstan: "We Have Taken Our Step"]

[FBIS Translated Text] On 15 February it is a year since the signing of the treaty between the Republic of Tatarstan and the Russian Federation "on the demarcation of spheres of responsibility and reciprocal delegation of powers between the organs of state power of the Russian Federation and the organs of state power of the Republic of Tatarstan" which completed the three-year period of bilateral talks and at the same time opened up a new stage in mutual relations between our republic and the federal organs of power. The treaty, based on a recognition of the two Constitutions, has removed the conflict situation fraught with grave political consequences and has brought stability to society. Moreover, we signed 12 intergovernmental agreements regulating the most important spheres of activity: military organizational development, the military-industrial complex, questions of the budget, customs, finances, foreign economic activity, and so forth. Taken together these documents have imparted legitimacy to relations between Russia and Tatarstan.

We have had to travel a difficult path. The talks demanded enormous patience, considerable intellectual efforts, and good will on both sides. Sometimes it seemed that we would not be able to find an acceptable solution but the desire to rule out strong-arm methods and to build civilized relations was so strong that in the end the necessary solution was found. It does not suit everyone in Russia or in Tatarstan but overall it was the only correct solution, which is becoming obvious against the background of the Chechen events.

Since the proclamation of sovereignty in 1990 problems have arisen for the Republic in mutual relations with Moscow—first with the Union center, then with the Russian center. Tatarstan has been subjected to strong pressure from the center. We were told that sovereignty is an invention of political leaders, that the people would not support this policy, especially as almost half the Republic's population consists of Russians. We decided to hold a referendum on Tatarstan's status, which took place in March 1992. At that time the central mass media were intimidating people with the consequences of the referendum. Nonetheless, 62 percent of the population expressed itself in favor of consolidating sovereignty. So we had every grounds for enshrining the Republic's status in the Constitution. Article 61 of the Tatarstan Constitution states that the Republic is associated with the Russian Federation on the basis of the treaty on the reciprocal delegation of powers and spheres of responsibility. Here we proceeded and continue to proceed from the thesis that Russia has not yet become a genuine federation. The distribution of powers between the center and the components in our view should proceed from bottom to top on a treaty basis. That is the only path for Russia's genuine federalization and democratization.

For us sovereignty means the opportunity to determine voluntarily for ourselves the share of the powers which we retain and the proportion of the powers we delegate to Russia. In our opinion you cannot dictate from the center and try to control everything. That not only contradicts democracy, it is simply ineffective. You must transfer basic powers to the components, leaving the central organs a number of the most important strategic functions determining the vital activity of the state as a whole. Unfortunately, to this day some Russian leaders retain the desire to decide everything from above, from Moscow. It is hard to overcome in a few years the traditions which have formed over centuries. Nonetheless, that time has receded into the past. In our view there is no alternative today to democracy, the decentralization of management, and the state's federalization.

In proclaiming sovereignty we considered the interests of the Republic's entire multiethnic people, which was reflected in article 1 of the Constitution, which states: "The Republic of Tatarstan is a sovereign democratic state which expresses the will and interests of the Republic's entire multinational people." We are building a democratic society in which the balance of interests is observed. Tatar and Russian are enshrined as state languages. That is our fundamental position creating political stability in the Republic.

The question of equal rights for the components of the federation is being discussed at various forums and in the press. We believe it possible within the framework of Russia to establish special relations which are the result of some historical or political factors and reflect the specific features of specific regions. The oblasts can and must have the same economic rights as republics. Nevertheless, the latter have historically formed features inherent in them alone. The Tatars, Bashkirs, Chuvash, Yakuts, Udmurts, and so on have been living for centuries on their territories in close-knit groups and many of them have always had their own statehood. We cannot fail to take this into account. Proposing today a purely territorial division instead of the existing republics means pushing Russia toward catastrophe. This path seems simple and convenient only at first glance and it can be proposed only by shortsighted politicians. Tatarstan, I am sure, and the other republics will never agree to such a restructuring. In actual fact it could really blow up Russia from within. I hope that Russian Federation President B. Yeltsin will find a form and deal a resolute rebuff to such speculative statements and desires.

We share the progressive public's anxiety over the state of democracy in Russia and are prepared to assume part of the responsibility for its future.

It would be naive to suppose that there are no problems left in our relations with Russia. They concern primarily the economic sphere. We have often been accused of conservatism, of a reluctance to conduct reforms and Tatarstan has been called an island of communism. In actual fact we have our own views of reforms. We will not accept revolutionary methods in politics or in the economy. Centrism and pragmatism are our "ideological" principles. Each step, each decision must be justified from the viewpoint of life itself. We cannot impose on life ideological schemes, however attractive they may seem.

In the past we did not accept "shock therapy" and we introduced an effective system for the population's social protection. Today the stratification of Tatarstan's population into rich and poor is considerably less than for Russia as a whole. Under these conditions it is easier to carry out the structural restructuring of the economy and to avoid social upheavals. Time has shown that those regions which have tried to carry out reforms radically and swiftly have succeeded only in effecting a more tangible reduction in the population's living standard.

We did not start to disband collective farms by tough methods. Progressive forms of agricultural management should prove themselves in practice and gradually, by natural means, through market competition, drive out inefficient forms. Thanks to our agrarian policy, for the third year we have obtained a record harvest, fully supplying the republic's population with food it has produced itself.

Tatarstan has adopted its own privatization program which provides, in addition to vouchers, for personalized prvivatization checks for citizens of the Republic, which enables us to make the population the real owners of the enterprises. We are also attracting foreign investors and this year we introduced tax benefits for them.

The Republic has its own understanding of the processes of conversion, the concept of the development of foreign economic relations, and so forth. In brief, our economic program is built with a consideration for the specific nature of the industrial potential, natural resources, and interests of the population. Step by step Tatarstan is advancing confidently toward democracy and the market economy.

In January we had several changes in the Cabinet of Ministers. We approved a new, young prime minister who has given a good account of himself in the Supreme Council as a balanced politician, a centrist who knows how to work with people with the most diverse views and who at the same time supports reforms. At the same time we began a reform of state structures, which now comply with the requirements of a market economy. On 5 March 1995 there will be elections to the State Council—Tatarstan's professional parliament—on a multiparty basis which will bear the brunt of work on adopting legislation necessary for society's operation under new conditions.

'Critical' Situation Develops After Oil Leak Near Usinsk

LD1602095095 Moscow ITAR-TASS in English 0924 GMT 16 Feb 95

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Usinsk (Komi Republic) February 16 TASS—The government of the Komi Republic situated in the north of European Russia started taking emergency measures to do away with consequences of an oil leakage near the city of Usinsk.

Vyacheslav Bibikov, chairman of the republican commission for emergencies, said in an interview with ITAR-TASS here on Thursday [16 February] that a very critical situation has developed with cleaning operations.

Work to clean polluted areas proceeds at a very low rate due to a shortage of funds. If federal authorities do not render emergency financial aid, it is quite probable that a disastrous situation will develop this spring, as a result of which oil products will get into the Pechora River and the Barents Sea.

Several extensive leakages took place on the oil trunk pipeline near Usinsk last August-September. As a result, 14,000 tonnes of oil polluted over 60 hectares of land, mostly swampy tundra.

The oldest part of the pipeline with a diameter of 720 millimeters and 50 kilometres long ran up to the Vozeyskoye deposit. It became outdated over 20 years of operation and had to be replaced.

A decision was made to speed up the construction of a new pipeline which was already being built for several years, to replace the outdated section. True, its diameter was 530 millimeters.

However, it was put into operation only on February 1, 1995, two months later than the set deadline due to a shortage of funds.

The old section where there were another to leakages already in 1995, was sealed off by the state technical inspection service late in January, which issued an instruction to oilmen to dismantle it. The new oil pipeline is gradually reaching its design capacity.

According to information from the republican ministry of natural resources and environment control, only 15 hectares have been cleaned out of 69 polluted areas along the pipeline.

According to a decision by the republican commission for emergencies, measures are being taken to organise round-the-clock work to clean polluted lands near Usinsk, to settle issues on granting a temporary respite to the "Komineft" joint stock society with tax payments, to unfreeze its hard currency account and to help with receiving aid and credits from the federal budget.

A decision was taken to build urgently a series of waterlocks and other protective installations in order to prevent oil products from getting into the Pechora and the Barents Sea. However, there is no money even for these installations.

Economic Issues

Sverdlovsk 1994 Socioeconomic Figures Eyed

954F1248B Yekaterinburg OBLASTNAYA GAZETA in Russian 6 Jan 95 p 2

[Report by V. Cherdyntsev, chairman of the Economics Committee: "Socioeconomic Situation of the Oblast"]

[FBIS Translated Text] **The situation in the economic complex and the social sphere of Sverdlovsk Oblast in 1994 was influenced by the negative factors and trends which took shape in the economy of Russia and which caused a sharp deterioration in most important macroeconomic indicators.**

Against the background of a relative slowing of inflationary processes in the current year the arrears crisis has intensified, effective demand is declining, and, consequently, production and investment activity are falling.

The dynamics of the production of industrial output, which is a most important economic indicator, took shape in the period January- September of the past year at a considerably lower level than in 1993 (in nine months of the past year the decline in production constituted 24.1 percent, in nine months of 1993, 14.3 percent), albeit without sharp fluctuations.

As a result of the demand limitations many enterprises of manufacturing branches are cutting back on production. The greatest decline continues in light industry and mechanical engineering (54.6 and 41.3 percent respectively).

The situation continues to deteriorate for the same reasons with regard to the production of consumer goods, whose manufacture diminished 27.4 percent compared with last year. Intricate home appliances, which are failing to sustain competition with imported commodities, account for the greatest decline.

The reduced demand of the consumers of products and services is becoming a determining factor influencing the work of business entities. More than 70 percent of total losses of work time in industry in the current year have been connected with difficulties in the marketing of products.

Nonetheless, the extent of industrial production was close to last year's level (in comparable prices) in a number of cities and rayons of the oblast: in Kashkanar (97.4 percent), Krasnouralsk (93.5 percent), Serov (94 percent), and Zarechnyy (94.8 percent), Irbitskiy (96.8 percent), and Serovskiy (98.7 percent) Rayons. The indicators of the industry of Achitskiy Rayon are better than last year's level.

For a normalization of the financial state of enterprises and organizations of the social sphere and the clearance of public- spending arrears and indebtedness to the treasury the head of the administration of the oblast adopted the decree "Procedure of Mutual Clearing Between Publicly Funded Organizations and Business Entities." Financial bodies and enterprises of 20 cities and 14 rayons of the oblast took part in the mutual offsets, and the sum total of the clearing payments amounted to R22 billion.

In September 1994 a directive of the head of the administration of the oblast formed an oblast commission to improve the system of payments and settlements under the chairmanship of V. Trushnikov, first deputy chief of the administration of the oblast. The commission studied proposals and outlined measures for the organization of the circulation of bills, determined the procedure of work with defaulting enterprises, and so forth.

The manufacture of a whole number of most important types of production-engineering products: steel, finished rolled products, cement, asbestos, wood particle board, board, slate, brick, wall materials, and so forth, increased in the third quarter.

Forecast estimates of the main indicators of the sphere of material production for the fourth quarter of 1994 confirm the continuation of the trend of a slowing of the rate of decline in industrial production that has emerged. A further increase in the generation of electric power and the manufacture of finished rolled products and pipes, individual types of nonferrous metallurgy products, building materials, and timber and wood-processing industry is possible here.

The strained situation in the agro-industrial complex of the oblast together with the adverse weather conditions in the spring and summer period caused a reduction in and the unstable provision of state (budget and credit) support for the rural commodity producers. The gross harvest of the main agricultural crops in the current year is expected to be at the level of 77-88 percent of the 1993 level. In the past nine months the head of cattle (not counting the head of livestock owned by the public) has declined 16 percent, of hogs, 25 percent, and of poultry, 14 percent (the fourth quarter's results are still being tallied).

The role of the public's private subsidiary plots and of the peasant farms, on which the head of livestock increased 25 percent, the areas sown to vegetables increased by a factor of 1.5, and the gross agricultural product in the current year increased 5.4 percent, is increasing in agricultural production.

For support of the agricultural commodity producers in 1994 the oblast administration implemented measures pertaining to partial exemption from taxes, subsidies for sold agricultural products, and compensation payments for the maintenance of the social sphere of the countryside and energy resources. Specifically, tax privileges in nine months of the current year amounted to R8.5 billion, and appropriations from the oblast budget, R61.9 billion, including R54.3 billion in subsidy payments.

In nine months of 1994 enterprises and organizations of the oblast obtained profits of almost R2.7 trillion, which was 2.4 times more than in the corresponding period of last year. Some R834 billion in the form of profits tax were paid to the oblast treasury, which constituted 41 percent of treasury receipts. Replenishment of the revenue side of the budget has improved in recent months. The funding of social and cultural activities constitutes more than half the expenditure of the oblast budget (52.3 percent), and funding of the national economy, almost one-third (31.6 percent).

Some R439 billion were channeled into labor compensation in September. The average income per worker constituted R292,700, average pay, R254,000. Pay in Sverdlovsk Oblast is higher than in other oblasts and republics of the Urals economic region.

The proportion of social payments in personal income is increasing. Pensions, allowances, and compensation payments constituted 21 percent of the total income of the population of the oblast (this proportion constituted 13.3 percent in 1993).

In nine months of the past year more than R6.6 billion were spent from the resources of the specialized fund on measures pertaining to the social support of the population.

Unemployment assumed really tangible proportions in 1994. The oblast had as of 1 October 1994 some 51,800 registered unemployed, and their number had increased 85 percent compared with the start of the year. The employment service facilitated the placement of 28,000 persons, and more than 15,000 persons are being retrained. In a number of cities of the oblast the level of unemployment is appreciably below the oblast average (the cities of Yekaterinburg, Nizhniy Tagil, Kachkanar, Nizhnyaya Tura, Serov, Ivdel, and Kamyshlov; the rayons of Beloyarskiy and Slobodo-Turinskiy). At the same time, on the other hand, the unemployment funds of a number of territories in which unemployment is in excess of the oblast average already have insufficient resources for the payment of benefits to the unemployed, and they are being rendered financial assistance from the reserve of the oblast employment fund. Aside from this, the administration of the oblast is taking a number of practical steps to create favorable conditions for the development of small business enterprises. In the current year approximately 200 small business enterprises have been assimilating the production of consumer goods, having obtained soft loans from the oblast treasury.

The proportion of small-scale enterprise in the oblast's economic complex is increasing annually by a factor of 1.5 to two, having reached 2-5 percent in terms of volume of industrial output, commodity turnover, and profit. More than 100,000 persons are employed on a permanent basis in the sphere of small-scale enterprise, and approximately 150,000, on job-pluralism and contractual terms. Oblast and international fairs and exhibitions enjoy popularity. Information-marketing centers, consulting, auditing, legal, and leasing firms, and so forth are being created. The drafting of the Program of State Support for Small-Scale Enterprise in Sverdlovsk Oblast in 1995-96 is complete.

The reform of the economy, denationalization, and the privatization of property have brought about marked institutional changes and the formation of a market infrastructure. Some 3,600 facilities and more than 430,000 apartments have been privatized in the oblast. The sum total of monetary resources obtained from privatization amounted to R26.4 billion. Twenty-eight check investment funds and approximately 20 other investment institutions are participants in the securities market. More than 100 insurance companies are involved in insurance activity, and in exchange trading, five exchanges.

A realistic task of the immediate future is use of the privatization process for an increase in investment activity and the structural reorganization of the economy.

Tatarstan 1994 Socioeconomic Figures Cited

954F1282A Kazan RESPUBLIKA TATARSTAN in Russian 7 Feb 95 p 2

[Report of State Committee for Statistics of the Republic of Tatarstan: "Socioeconomic Position of the Republic in 1994"]

[FBIS Translated Text]

Industry

In 1994 industrial output (labor, services) in current prices constituted R8.79 trillion—79.3 percent in relation to the level of 1993. A decline in the manufacture of products was observed at enterprises of all branches of industry, although a steady slowing of the rate of the decline in industrial production was observed as of the latter half of the year.

Structural changes in industrial production occurred in the past year. This was connected with the fact that the economy is starting to be oriented toward the customer and is moving from supply limitations to a limitation of demand. Thus, as a consequence of the steady demand for the products of enterprises of the fuel and energy branches, their proportion gradually increased and constituted by the end of the year in the republic's total production 32.4 percent compared with 29.3 percent in 1993. Industrial output in these branches declined less appreciably than in the others. The proportion of the mechanical engineering product in the total volume diminished and constituted in 1994 some 21.6 percent compared with 21.8 percent in the previous year.

At the same time in certain most important types of output (tires for agricultural machinery, passenger automobiles, building brick, board, individual foodstuffs) an increase over 1993 was achieved.

Some 24.028 million tonnes of oil (93 percent of the 1993 level) and 875 million cubic meters of gas (93 percent) were produced **in the fuel and energy branches.** General electric power stations and bulk-supply plants generated 23 billion kilowatt-hours of electric power. Its generation declined 18 percent compared with 1993.

Some 26,000 trucks (45 percent of 1993), 369 compressors (63 percent), 4,090 deep-well centrifugal electric pumps for oil production (60 percent), 132 large-scale electric machines (37 percent), and 6,118 passenger automobiles (116 percent) were manufactured **in mechanical engineering.**

Some 260,000 tonnes (88 percent of 1993) of synthetic resins and plastics, 137,000 tonnes (58 percent) of synthetic rubbers, 30,000 tonnes (72 percent) of industrial carbon, 131 million linear meters (56 percent) of camera film, 2,803 [as published] (80 percent) tires for trucks, 4.489 million (61 percent) tires for passenger automobiles, and 234,000 (103 percent) tires for agricultural machinery [line missing as published] were produced **in chemical and petrochemical industry.**

Some 318,000 cubic meters of merchantable wood (75 percent of 1993), 134,000 cubic meters (64 percent) of lumber, 35,000 cubic meters (71 percent) of plywood, 16,000 tonnes (77 percent) of paper, and 72,000 tonnes (102 percent) of cardboard were manufactured **in timber, wood-processing, and pulp and paper industry.**

In construction materials industry the production of wall materials in the year constituted 640 million standard bricks (89 percent of 1993) and 990,000 cubic meters (59 percent) of precast ferroconcrete structures and parts.

Some 1.1 million items of knitwear (45 percent of 1993), 6.8 million pairs (32 percent) of stockings and hose, and 2.9 million pairs of footwear (48 percent) were produced **in light industry.** The manufacture of coats and short coats, pants, jackets, shirts, and baby linen declined by more than half compared with 1993.

The manufacture of **nonfood consumer goods** was less than in 1993. Some 114,000 domestic refrigerators (40 percent of 1993), 2.754 million watches (97 percent), 21,000 tonnes of synthetic detergents (66 percent), 22,000 tonnes of household soap (78 percent), and 6,000 tonnes of toilet soap (78 percent) were manufactured.

In food industry 107,000 tonnes of meat (including category 1 byproducts) (90 percent of 1993), 32,000 tonnes of sausage products (92 percent), 261,000 tonnes of whole-milk products (89 percent), and 34,000 tonnes of butter (90 percent) were produced. There was an 8-15 percent decline in the manufacture of macaroni, confectionery, and baked products, granulated sugar [line missing as published]

Capital Construction

Enterprises and organizations of all forms of ownership assimilated in the Republic of Tatarstan in 1994 some R2.3128 trillion of capital investments from all sources of financing (61.4 percent of 1993), R1.4974 trillion at production facilities included.

The structure of capital investments in terms of sources of financing is changing: Centralized sources of financing from the federal budget constitute 2.6 percent (3.7 percent in 1993), and from the budget of the Republic of Tatarstan, 16.8 percent (28.5 percent), preferential state investment credit, 2.7 percent, state off-budget investment funds, 3.5 percent, and enterprise proprietary funds, 74.4 percent (67.8 percent).

Some R54.62 billion of capital investments were used from all sources of financing for the development of the agro-industrial complex in 1994, which constituted 23.6 percent of total capital investments in the economy of the republic. The extent of the investments in the complex declined almost twofold compared with 1993. Some 53 percent of total investments in the agro-industrial complex were assimilated in the construction of production facilities.

The extent of the investments in the manufacturing branches of the agro-industrial complex in 1994 amounted to R55.4 billion, which was 56 percent below the 1993 level.

In 1994, enterprises and organizations of all forms of ownership built apartment houses with a total area of 1.0176 million square meters, or 78.5 percent of the 1993 level.

The scale of individual housing construction has been expanding in recent years, and its share of the total housing introduced in 1990 constituted 13.7 percent, in 1993, 21.1 percent, and in 1994, 27 percent.

In the past year, the public built at its expense and with the aid of credit 274,800 square meters of its own apartment houses, which was somewhat more than the 1993 level.

Facilities of the social and cultural sphere in the republic in the past year were built in negligible volumes: 4,900 places in general schools, 900 places in preschool establishments, 500 hospital beds, 1,100 visits per shift to outpatient-general clinics, and 1,700 places in clubrooms and cultural centers were introduced.

There was a considerable decline in the rate of construction of preschool establishments (by 72.1 percent), clubrooms and cultural centers (61.6 percent), and general schools (49.8 percent). The rate of construction of hospitals increased here (by 22 percent).

Agriculture

The position of the agrarian sector of the economy in 1994 was determined to a considerable extent by the general economic situation in the republic, the state of the material and financial resources of agriculture, measures of the state regulation of production, and the development of agrarian reform.

In accordance with the edict of the president of the Republic of Tatarstan, the process of the formation of diverse forms of management was stimulated in the republic. Some 472 enterprises that had switched to new forms of management were operating as part of the republic's agricultural enterprises in 1994. In addition, 764 peasant (private) farms were registered.

In 1994 all farms of the republic produced 8 percent more grain than in 1993, and 30 percent more sugar beet and 36 percent fewer potatoes. The gross vegetable harvest remained at the 1993 level.

The position in animal husbandry is characterized by a diminution in receipts of products from the livestock units of the agricultural enterprises and an increase in production on the citizens' private farmsteads. Some 363,100 tonnes of livestock and poultry in live weight (6 percent less than the 1993 level), 1.6777 million tonnes of milk (3 percent less), and 1.1731 billion eggs (6 percent fewer) were produced in Tatarstan as a whole in 1994.

The decline in the production of animal husbandry products was brought about to a certain extent by the diminished productiveness of the livestock. The average annual per-cow milk yields on the kolkhozes, sovkhozes, and new formations constituted 3,164 kg, which was 142 kg less than in 1993. The average daily weight gains of cattle declined by 15 grams, and of hogs, by 13 grams.

Elements of market regulation in the distribution of agricultural products by channel of realization have been observed in recent years. State procurement organizations are gradually reducing their monopoly of purchases of agricultural products. The proportion of products realized by the farms by unrestricted channels in 1994 (the market, proprietary stores, public catering, and such) increased and constitutes from 16 to 50 percent of the total realized plant- growing product and from 1 to 11 percent of the animal husbandry product.

Some 54,600 tonnes of potatoes, 610,700 tonnes of sugar beet, 72,200 tonnes of vegetables, 1.0281 million tonnes of milk, 203,700 tonnes of livestock and poultry, 673.3 million eggs, and 877 tonnes of wool were supplied to state resources in the year. The forward contracting for milk was fulfilled 93 percent; livestock and poultry, 85 percent; eggs, 90 percent; and for wool, 49 percent.

Transport and Communications

Under the conditions of the reduction in social production and the arrears crisis, enterprises of all types of transport conveyed 96.9 million tonnes of freight, which was 31 percent less than in 1993.

There was a decline in railroad transport in the total consignment compared with 1993. The consignment of most important types of freight declined.

Enterprises of **motor transport** engaged in commercial freight shipments conveyed 43.2 million tonnes, which was 41 percent less than in 1993. Nonstate motor enterprises (of private and a mixed form of ownership) performed approximately 30 percent of total freight transportation.

River transport consigned 10.7 million tonnes of freight, which constituted merely 60 percent of the 1993 volume. The reduction was brought about by the sharp decline in the extent of the shipments of construction freight. [Line missing as published] transport enterprises conveyed 1.1332 billion persons, which constituted 95 percent of the passenger transportation of 1993.

There was a decline in the flow of passengers on all forms of transport, railroad excepted. There was a particularly sharp decline in air transport, of 30 percent, and on the rest, ranging from four to eight percent. This was caused mainly by the decline in the transport mobility of the population owing to the increase in charges.

Changes are occurring in the structure of the passenger flows owing to the uneven growth of charges. Almost 26 percent fewer flights than a year earlier were made by scheduled air transportation on local airlines. The number of internal flights increased by 2.4 percent, and of international fights, by a factor of 2.7. The number of long-distance passenger trains sent out on the railroad declined 10 percent. There was a decline in motor transport in the number of intercity and suburban journeys of 17 and 10 percent respectively, and international traffic was inaugurated.

Despite the considerable increase in fares, in 1994 they covered costs on the transportation of passengers on bus routes approximately 60 percent, and on streetcars and trolley buses, 15-16 percent.

The services offered by general communications enterprises increased in actual current prices by a factor of 3.9 compared with 1993, including an increase by a factor of 6.7 in services for the public. [Line missing as published] increase in charges.

There was a decline in the quantity of communications services of all types: in the sending of parcels of 34 percent, letters, cards, and postal printed matter, of almost 30 percent, and telegrams, of 26 percent, and of money transfers and pension payments, of 14 percent, and in long-distance telephone calls, of 5 percent.

Subscriptions to newspapers and journals for the first half of 1995 increased compared with the latter half of 1994 by 7.9 and 14.3 percent respectively.

Foreign Economic Activity

The foreign economic turnover of enterprises and organizations of the Republic of Tatarstan in direct relations with countries of the far abroad in 1994 constituted $839.1 million, or 88.4 percent of the 1993 level. Exports, $666.6 million, imports, $172.5 million. The foreign trade balance was in surplus ($494.1 million).

Firms of 63 states of the world are the trading partners of national organizations. The European countries accounted for the largest proportion of commodity turnover—65.8 percent ($552.4 million). The share of countries of Asia, America, and Africa was 14.7 percent, 17.3 percent, and 2.2 percent, respectively. The firms of Germany (19.7 percent of trade turnover), the United States (16.7 percent), Hungary and Sweden (7.4 percent each), and Austria, China, and Turkey (approximately 5 percent each) come first.

Oil and petroleum products account for more than half of total exports (52.5 percent). In addition, the commodity structure includes products of the chemical and petrochemical industry (more than 10 percent), means of transport and spares for them (6.2 percent), equipment and instruments (1 percent), wood products (0.6 percent), and others.

The commodity filling of imports is diverse also. The main place is occupied by machinery and equipment (53.2 percent). Means of ground transportation, including parts, constituted 3 percent, ferrous metals and their products, 2.5 percent, plant-protection preparations, 8.4 percent, food and gustatory commodities and agricultural raw material, 3 percent, and textiles and textile products, 1.8 percent.

Prices

Prices of consumer goods and services in 1994 increased by a factor of 3.1 compared with December 1993, including an increase of 3 percent for foodstuffs (including alcoholic beverages), of 2.6 percent for nonfood commodities, and by a factor of 8.9 for chargeable services.

The dynamics of the inflationary processes in 1994 reveal the absence of the stability of prices on the consumer market, the level of which for basic food commodities and services were regulated, as before. The least magnitudes of the rate of increase in consumer prices were observed in the third quarter: 102.9 percent in August and 105.3 percent in September, and the greatest magnitudes pertained to the end of the year: 116.3 percent in November and 115.7 percent in December.

With an average monthly growth in the prices of food products of 109.5 percent in 1994, the largest rates of price increases were observed in November, 121.9 percent, and December, 117.8 percent, and the smallest, in August, 100.3 percent, and September, 104.2 percent.

The highest increase in prices as of the start of the year were observed for bread and bakery products, 6 percent, butter, 5.6 percent, potatoes, 5.3 percent, and vegetables, fivefold.

The cost of a basket of 19 basic food products at the end of the year (counting market prices) constituted for the republic R75,400 and had increased by a factor of 3.2 since the start of the year.

The rate of growth of prices of nonfood commodities was more stable. Their average monthly increase in 1994 constituted 8.2 percent. Footwear, knitwear, fabrics, gasoline, and clothing increased in price over the year by a factor of 2-2.5, and detergents, construction materials, office commodities, and medicines, by a factor of 3.2-4.2. The prices of consumer durables (carpeting, electric goods, furniture) grew somewhat more slowly and increased by a factor of 1.8-2.2. A significant growth of prices over the year was observed for print publications—by a factor of 7.3.

Prices and rates for chargeable services grew at a preferential pace compared with commodities. As of the start of the year their increase constituted a factor of 8.9, and the most appreciable increases were in the prices of transport services, 14.4 percent, municipal services, 12.1 percent, and communications, by a factor of 8.1.

The Consumer Market

In 1994 the public was sold consumer merchandise via all channels of sale for R3.79 trillion. The retail commodity turnover of the officially tracked enterprises of trade, public catering, and kolkhoz markets constituted R2.8284 trillion and increased in actual prices by a factor of 2.9 compared with 1993; in comparable prices the actual volume of commodity turnover declined 27.1 percent, including a decline in December 1994 compared with December 1993 of 2.5 percent, and compared with the preceding month it increased 20.6 percent.

The share of the state sector of trade in the volume of retail commodity turnover constituted 48.7 percent (56.2 percent in 1993), of the private sector, including the consumer cooperatives, 22 percent (21.8 percent), and of other nonstate forms of ownership, 29.3 percent (22 percent).

The expansion of trade at the markets contributed to a change in the macro-structure of retail commodity turnover. The proportion of foodstuffs grew from 49.8 percent in 1992 to 51.3 percent in 1993 and to 57.9 percent in 1994; that of nonfood commodities declined from 50.2 percent to 48.7 percent and 42.1 percent respectively.

In 1994 the public was rendered services for which a charge is made via all channels of realization of approximately R592.1 billion, which in comparable prices was 39.8 percent less than in 1993.

The volume of services for which a charge is made in terms of the officially tracked enterprises constituted R396.1 billion (67 percent of the total), which was higher than the level of 1993 by a factor of 6.4, and in comparable prices, 48.4 percent less. The volume of consumer services constituted R76.4 billion or was in excess of the indicator of the previous year by a factor of 4.4 and in comparable prices came to 16.5 percent below the 1993 level.

Finances

Profit totaling R1.187 trillion was obtained in the period January-November 1994 in branches of the republic's economy (excluding agriculture) [line missing as published] industry. Compared with the corresponding period of the previous year, the amount of profit increased in actual prices by a factor of 2.3, and in industry, by a factor of 2.2.

Together with this, 23.7 percent of the enterprises surveyed operated at a loss. Industry accounts for 44.8 percent of unprofitable enterprises, and the greatest number of them is concentrated in mechanical engineering, what is more.

The financial position of the enterprises and organizations is complicated by the unsettled state of clearing payments in branches of the economy. The accounts payable of the surveyed industrial and agricultural enterprises and construction and transport organizations constituted as of 1 December 1994 some R4.9642 trillion, of which R2.2293 trillion constituted stale debt (as of the start of the year it had grown by a factor of 5.2, and in December, by 10 percent). Debt receivables as of 1 December amounted to R4.6483 trillion, of which stale debt constituted 48.8 percent. Customer debt constitutes R3.8536 trillion, of which 54 percent is past due.

The reciprocal arrears of the enterprises are holding up the payment of budget revenue. The indebtedness to the treasury of enterprises and organizations of industry, construction, agriculture, and transport constituted

R375.7 billion, of which 39.8 percent was past due [line missing as published] the largest proportion of arrears to the treasury past due was in agriculture (39.7 percent) and construction (64.3 percent).

Arrears past due in the issue of funds for labor compensation and other monetary payments to the employees of enterprises and organizations of industry, construction, and agriculture as of the start of 1995 constituted R123.9 billion and had declined compared with the previous month by 28.2 percent, including a decline of 32.5 percent in industry, 40.3 percent in construction, and 21.4 percent in agriculture. The number of enterprises with debts past due declined 30 percent. Debts past due in labor compensation are almost evenly distributed among the enterprises and organizations pertaining to different forms of ownership.

Total credit investments in the economy as of the start of 1995, according to figures of the National Bank of the Republic of Tatarstan, constituted R1.2142 trillion and had increased since the start of the year by a factor of 2.1. In connection with the continuing inflation, the credit is mainly of a short-term nature (89 percent). As of 1 January 1995, the interest rate on centralized credit amounted to 180 percent, and as of 6 January 1995, 200 percent.

Living Standard and Personal Income

The monetary income of the population of the Republic of Tatarstan in 1994 amounted to a total of R5.9927 trillion and increased by a factor of 4.2 compared with 1993.

Real disposable monetary income (income less compulsory payments adjusted by the consumer price index) in December 1994 had increased in relation to the corresponding period of 1993 by 9.1 percent.

The subsistence level per standard family member in December constituted R103,970, and its value grew in 1994 by a factor of 4.2.

Compensation in the form of food stamps totaling R2.1946 billion in December was received by 113,500 persons, and in the form of prescription stamps, by 254,800 persons, totaling R2.001 billion.

Average pay in Tatarstan computed in December 1994 amounted to R295,600 and had increased compared with December of the previous year by a factor of 2.3, and compared with November 1994, by 22.6 percent.

The highest earnings in 1994 were those of the employees of credit allocation, finances, material and technical supply and sales, and general commercial activity to support the market (higher by a factor of 1.4-2 than the republic average). Employees of kolkhozes, forestry, and culture and art have the lowest income.

Some 73,400 citizens applied to the employment service on the question of employment in the period January-December. This was more by a factor of 2.3 than in 1993. Among those who applied, 24,600 were students who wished to work in their spare time away from their studies, and jobs were found for 96 percent of them.

Some 14,000 persons or 0.77 percent of the economically active population had unemployed status as of the start of 1995. Women constitute approximately 85 percent of the unemployed; and young people aged 16 to 29, 36 percent; 14.4 percent have no experience of labor activity; 34.3 percent of the unemployed were released from their previous place of employment at their own request, and 43.6 percent, in connection with enterprise layoffs. One-seventh of the unemployed are persons who have not managed to find a position following graduation or termination of their studies. Some 12,400 persons were placed in employment in various branches of the economy in 1994 with the assistance of the employment service; of these, 10,300 persons at enterprises of state and communal (municipal) ownership. Some 2,300 persons, or 5 percent of the citizens not engaged in labor activity, underwent vocational training. More than 87 percent of them were placed in employment.

By the end of December 1994, 405 enterprises of the republic had announced a need for manpower to fill 3,200 free positions (vacancies), 89 percent of this number in worker occupations. An average of six nonworking citizens on average were applicants for one announced vacancy in the employment service (three persons at the end of 1993).

Because of the reduction in the commissioning of apartment houses, the number of families that obtained living quarters and improved their housing conditions constitutes just over 21,000, which is less than the indicator for 1993 by approximately 22 percent.

One-third of the republic's housing is deemed to be dilapidated or in a hazardous condition. A decree of the Cabinet of Ministers of the Republic of Tatarstan of 19 May 1993 provides in 1993-1995 for the elimination of 599,700 square meters. An estimated 86,000 square meters or 14.3 percent of that specified by the program has been eliminated in the past two years.

Families resettled from dilapidated accommodations are allocated in the new apartments an average of 13.8 square meters of total area per family member, that is, 2.7 square meters fewer than the indicator of provision at the start of 1994.

As of 1 January 1995 the number of apartments that had been transferred to private ownership by way of privatization in the Republic of Tatarstan constituted 12.3 percent of the number of apartments that may be privatized. Some 84,713 apartments were privatized in the period January-December 1994, which was 24 times more than in 1993.

Morbidity

An outbreak of diphtheria and German measles was noted in 1994, which is explained by the inadequate coverage of the population with preventive vaccination. According to specialists of the State Committee for Sanitary and Epidemiological Supervision of the Republic of Tatarstan, the diphtheria epidemic will subside in 1995 in connection with the increase in the number of vaccinated [line missing as published].

A growth in illnesses connected to a considerable extent with social factors—syphilis and scabies (by a factor of 3.8 and 2.3 respectively)—is observed also. There was somewhat of a decline in the incidence of gonorrhea and pediculosis (by a factor of 1.1 and 1.7 respectively compared with 1993), but the number of those taken ill is still relatively high.

Crime

In 1994, the internal affairs authorities of Tatarstan recorded 61,900 crimes, which was 1.7 percent fewer than in 1993. Property crimes are predominant in the structure of crime, as before. Some 23,100 instances of theft were detected (a reduction of 15.6 percent). The number of recorded robberies fell 24.7 percent, and of robberies with violence, 15.7 percent.

There was an increase in crimes against the person (of 14.8 percent), including premeditated murders of 16.8 percent and premeditated aggravated assault of 7.7 percent.

Some 5,200 crimes were recorded in the sphere of the economy (the increase constituted 25.6 percent compared with the corresponding period of the previous year).

In 1994 the law enforcement authorities unmasked 36,600 persons who had committed a crime (24.2 percent more than in 1993). At the time the crime was committed, almost one out of every four had no permanent source of income, and unemployed persons constituted 2.6 percent.

Some 3.8 percent of crimes were committed by juveniles or with their participation, which practically corresponds to the 1993 level.

Group crime increased by 12.4 percent, and the number of crimes committed in a state of alcoholic intoxication, by 54 percent.

The incidence of crime in the Republic of Tatarstan constituted 1,653 crimes per 100,000 of the population compared with 1,687 crimes in 1993. The percentage crime-detection rate constituted 74 (64.1 percent in 1993).

Ecology

The main polluters of the republic's atmosphere are chemical industry enterprises.

According to data of the Ministry of Environmental Protection and Natural Resources of the Republic of Tatarstan, 26 instances of one- time hazardous and other runoffs and discharges of contaminants into the atmosphere, bodies of water, and land areas were recorded in 1994. The total damage constituted R73.1 million, including R58.4 million from the pollution of water facilities, R1.2 million from atmospheric pollution, and R13.5 million from soil contamination. The sum total claimed to compensate for the damage, considering suits that had been brought earlier, constituted R56.2 million.

Enterprises and organizations of all forms of ownership spent on the territory of the Republic of Tatarstan in 1994 on environmental protection and the rational use of natural resources R29.7 billion of capital investments, including completed construction and installation work constituting R21.3 billion.

The bulk of the resources—R23.6 billion—was channeled into the protection and rational use of water resources, and R3.9 billion of them were spent on the protection of the atmosphere and R2.1 billion, on the rational use of the land.

The commissioning of environmental protection facilities in 1994 was undertaken to a negligible extent: A station for purifying effluent at the rate of 12,500 cubic meters a day at the Tatzhilkomkhoz TPO and an installation for trapping and neutralizing harmful substances from waste gas at the rate of 34,000 cubic meters of gas an hour at the Teplokontrol Production Association were built and commissioned.

Krasnodar Tax Chief on Current Tasks

954F1154A Krasnodar KUBANSKIYE NOVOSTI in Russian 6, 7, 11 Jan 95

[Interview in three installments with Ivan Aleksandrovich Peronko, chief of the tax inspectorate of Krasnodar Kray, tax service state counselor 2d rank, and candidate of economic sciences, by Petr Sopkin, candidate of philological sciences; place and date not given: "On the Edge of Contradictions: Is the Crisis Growing or Receding?"]

[FBIS Translated Excerpts] [6 Jan p 2] **A great many contradictions were observed during the outgoing 1994, related to replenishing the state treasury. On the one hand—the production decline and reciprocal nonpayments... On the other—the ever increasing number of juridical and physical persons, potential taxpayers. One could often hear gloomy prognoses to the effect that taxes are about to strangle the producer. At the same time, we saw an increase in payments to the budget...**

The tax service found itself on the edge of economic and social contradictions. However, not only did it endure many blows—it actually gathered strength. It is not by chance that the tax service is considered one of the most authoritative state structures, one that possesses real power.

This accounts for the fact that one of the first interviews planned by our editorial staff for this new year was with

Ivan Aleksandrovich Peronko, chief of the tax inspectorate of Krasnodar Kray, tax service state counselor 2d rank, and candidate of economic sciences.

We proceeded, first of all, in our conversation with Peronko from the fact that he is a learned economist. Consequently, he knows the problems basically affecting Russia's overall might, the prosperity of Kuban, and the material well-being of every citizen of our state.

[Passage omitted]

[Sopkin] How do you assess the economic situation that has taken shape today in Krasnodar Kray?

[Peronko] This coincides to a significant degree with that of Russia overall, for a great many things are interrelated in economics. Nonetheless, in a number of sectors of the economy of the kray, especially in individual enterprises, we actually see a growth in volumes of production. This of course has had an immediate effect on tax receipts into the budget, the greatest share of which, if we compare quarterly indices, is attributable to the second half of last year.

It is also very important that in 1994, for the first time in recent years, the growth of taxes outpaced the growth of inflation, i.e., increased payments to the budget were brought about not only by increased prices, but by the growth in production volumes and rise in number of taxpayers. This is a good sign.

[Passage omitted]

[Sopkin] Is it possible to, as you have expressed it, prevail over the economic situation in one particular region? In our kray, for example, where the particular problems are nearer and dearer to us?

[Peronko] One serious problem holding back economic transformations on the regional level is the absence of a clear-cut demarcation of authority between the center and Federation entities, of demarcation among the many laws of local self-government. Here a great deal will depend on the position of the kray's representational organs of authority, which were recently elected and have gotten down to work. If they concentrate seriously on economic issues, it will have an immediate effect on Kuban's economic potential, on its upswing. In this event, our contribution—that of economists and managers—will be appreciable and noteworthy.

First and foremost, of course, it is necessary to support our agrarian sector—not just prevent it from further collapsing, but help it to attain the required growth rate commensurate with its potential as quickly as possible. I am an advocate of making taxes in the agrarian sector minimal, and benefits—maximal. But such an approach must be applied to producers in all sectors of the economy.

You can see that without reference to taxes, we do not have any meaningful conversation...

[Passage omitted]

[7 Jan p 2]

[Passage omitted]

[Sopkin] What weight does the tax service in Krasnodar Kray carry within the system of Russia's State Tax Service? What place does it have?

[Peronko] Because of its position in the Russian Federation, Krasnodar Kray occupies a leading position in tax matters as well. Our volumes of tax receipts going to all levels of the budget are steadily increasing. Whereas in 1992 we were in 14th place with respect to tax volume, the main index, within the entire tax system of Russia, in 1993 we occupied 10th place, and are now in seventh or eighth place.

This is not just related to Kuban's relative stability. A great many innovations have been approved in our work which are leading to substantive results. We have a very high work capacity level—we stand second only to Moscow with respect to number of taxpayers per inspector. But as far as document inspections are concerned, we occupy first place in Russia. Last year over 25,000 taxpayers—juridical persons—were audited. This is a very high index.

We submit, often and in large numbers, diverse proposals to the State Tax Service, including regarding improvements in the operating methods of tax organs. We have just now completed a review of the substance of our work—both in the kray inspectorate and in our subdivisions in the cities and rayons.

[Sopkin] Is there an interrelationship between the particular features of Kuban and the activity of tax organs in the localities?

[Peronko] Of course. The geopolitical position Kuban occupies—its proximity to countries of the near abroad, Georgia and Ukraine, determines the particular way tax organs operate. But most important is the maritime boundary with Turkey, which is quite troubling to us and generates a great deal of work.

We must also consider the social situation of Kuban. We have many entrepreneurs, including pensioners. Individual trade is quite strongly developed. We have to take into account the fact that Kuban is an agrarian region.

I repeat—we have a great many particular features which cause our work to be multifaceted, diverse in content.

[Passage omitted]

[Sopkin] At the end of last year, one of the kray newspapers published a report stating that two tax inspectors had been arrested for taking bribes. Can you confirm or deny this?

[Peronko] What can I say? Our family too can have black sheep. That occurred in one of the rayons (I will not provide the name because an investigation is ongoing), and a black mark has been smeared on the entire 5,500 collective of all 58 tax inspectorates in the kray. We will try to do better work in selecting our cadre. But this is quite a complex matter—the "available supply" of specialists suitable in all respects has long since been exhausted.

[Passage omitted]

[11 Jan p 2]

[Passage omitted]

[Sopkin] Ivan Aleksandrovich, for a long time now you have been working in the state organs and business circles of Kuban. You are a fairly well-known individual. But I am also aware that two or three years ago you were offered a promotion and transfer to Moscow. There were opportunities—and suggestions were made in this regard—that you run for the Federal Assembly, for the State Duma, and recently—for the kray Legislative Assembly. Why did you not take advantage of a single one of the sparkling opportunities, we must say, to advance your career?

[Peronko] You have touched upon some painful questions for me. Truly, I did have such opportunities. But...

[Sopkin] Perhaps age is the reason. You are 40 years old, right?

[Peronko] Frankly speaking, age does not bother me. The reasons lie elsewhere—there are two. First, it so happened that my colleagues and I were the ones who set up the tax service in Kuban. We originated this effort. Let me repeat that I am quite satisfied to have been a participant in this great work. But the job is not done. We are experimenting in many different ways, and achieving success in certain areas. In this manner we are exerting a positive influence on Russia's tax system in general. I would like to complete the realization of my ideas here in Krasnodar with respect to tax policy. But this requires a tremendous amount of time, effort, and energy.

And so, to be a deputy as well—there is just no way. I cannot occupy some high position in addition to my present endeavor and not make changes. I cannot have a job elsewhere.

Furthermore, I consciously want to work in Kuban because it has tremendous prestige and authority in Russia. And I am deeply convinced that the role of the regions will be enhanced. It is precisely in the localities—on the republic, kray, and oblast level—that all the mechanisms of economic reform must be worked out and the most important questions of the development of society resolved.

My second reason. What we have seen in the workings of the former Russian Federation Supreme Soviet and the present State Duma shows that on the highest legislative level, unfortunately, political struggle predominates. The deputies are all split into factions, and they do not fulfill their direct legislative responsibilities. This is why our development is so slow.

I would not like to see the kray Legislative Assembly fashioned the way we see the State Duma. It will not accomplish its tasks if it restricts itself to political squabbles.

So what I am saying is—until such time as political struggle no longer dominates our legislative organs, I see no place for myself there. Perhaps I am mistaken, but that is my personal opinion.

[Passage omitted]

[Sopkin] Thank you, Ivan Aleksandrovich, for your open, substantive conversation.

Method of Setting Ruble Exchange Rate To Remain Unchanged

LD1502180195 Moscow INTERFAX in English 1638 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (FIA-Interfax)—The Central Bank of Russia (CBR) will not change the system for setting the official exchange rate of the ruble to the dollar and other hard currencies in the near future, acting CBR Chairperson Tatyana Paramonova told FIA in an exclusive interview today.

She said the CBR during every working day was analyzing the situation in all segments of the currency market, including the Moscow Interbank Currency Exchange (MICEX), regional currency exchanges, the inter-bank cash and non-cash currency market. CBR experts believe that the ruble's exchange rate to the dollar on the MICEX is still the best reflection of the real situation.

At the same time, Paramonova said the off-exchange currency market was playing a more active role at present. She said she believed it reasonable to pass over to a more developed method for setting the official ruble exchange rate. She said that to use such a method it would be necessary to change the system whereby commercial banks account for the sale and purchase of currency and to establish more flexible control over their open currency position.

Paramonova said the rules of the game on the currency market should not be changed without a well-thought-out analysis of all technical details.

She repeated that the Russian government had introduced the regime of a single floating currency exchange rate of the ruble in July 1992. The CBR sets official ruble quotations based on the results of MICEX trading two times a week. The official exchange ruble rate is used for bookkeeping by banks, for inter-state and customs payments.

Consumer Prices for First Week of Feb Reported

MM1502175595 Moscow ROSSIYSKAYA GAZETA in Russian 15 Feb 95 First Edition p 3

[Report based on figures of the Russian Government Center for the Economic Situation: "31 January Through 7 February: No Changes on the Oil Front"]

[FBIS Translated Text] Over the first week of February inflation was 3.8 percent. Food prices rose 3.7 percent and goods and paid services for the population increased in price by 2.8 and 7.4 percent respectively.

Sign of the Times: Cheaper at the Market than in the Store [subhead]

Of the observed types of food, the most substantial increase in price was for milk and foods made from milk and for bread—7.1 percent and 6.2 percent. Prices for meat, flour, groats, and pasta rose 4-5 percent over the week. At the same time eggs, butter, and vegetable oil now cost practically the same as a week ago—the change was about 1 percent. Foodstuffs increased in price most in the stores, whether state or private, and markedly less at the markets.

The average cost of a selection of 19 of the most important foods reached 142,000 rubles [R] a month by the end of the first week of February and rose 5.1 percent over seven days and by one third since the start of the year.

Leading Cities in Terms of the Cost of a Selection of 19 of the Most Important Foods in 1995 (in rubles, calculated per month per capita [subhead]

Cities	7 February	Place Held as of 1 Jan
For Russia as a whole:	141,714	X
Including (with the highest cost for the selection):		
Yuzhno-Sakhalinsk	274,408	1
Magadan	267,839	3
Petropavlovsk-Kamchatskiy	267,520	2
Nakhodka (Maritime Kray)	255,065	5
Vladivostok	240,066	4
With the lowest cost for the selection		
Ulyanovsk	71,597	1
Nalchik	92,219	3
Gornyak (Altay Kray)	94,104	2
Kazan	95,278	6
Belgorod	96,670	8

The cities of the Far East region continue to lead in terms of the cost of the most important foodstuffs. The most "expensive" of the observed list of cities over the past week were Yuzhno-Sakhalinsk (R274,000), Magadan (R268,000), Petropavlovsk-Kamchatskiy (R268,000), and Nakhodka (R255,000).

As before the "cheapest" city remains Ulyanovsk, in which the minimum cost of the selection in Russia was recorded—R72,000.

The cost of the selection of 19 of the most important foods in Moscow as R173,000 and in St. Petersburg R149,000.

I Shan't Go To the Far East [subhead]

In early February prices for nonfood goods rose slightly more slowly than for food and paid services for the population. The biggest change in prices over the week was noted for fuel—by 5.2 percent, including a 5 percent rise in prices for gasoline.

As before the leading places in terms of the level of prices for the majority of industrial goods observed are held by the cities of the Far East. For instance, refrigerators and color television sets are most expensive for inhabitants of precisely that part of Russia.

Thus the average price of a refrigerator in the cities of the Far East is R1.74 million while the average Russian price is R1.16 million while television sets are also most expensive in the Far East region—their price here is R1.83 million (the average Russian price is R1.25 million).

Border Troops Face Financial, Other Problems

95UM0256A Moscow NEZAVISIMAYA GAZETA in Russian 1 Feb 95 p 2

[Article by Nikolay Plotnikov: "Border Troops Replenish the State Treasury"]

[FBIS Translated Text] After the breakup of the unified border troops, there remain only a few sectors of the so-called "old border" which are well equipped and have an efficient service. These are the borders with Norway, Finland, China and Mongolia. But in the other sectors of the state border of the Russian Federation, matters are worse. The illegal movement of weapons, ammunition, and drugs, and export of oil products, nonferrous metals, and lumber from Russia are a consequence of this. An especially difficult situation has developed on the border with Latvia and Estonia, as well as on the Caucasian borders. However to a large degree the border troops are managing to cope with their difficulties, despite everything.

The border with the Baltic states is being equipped. In the last two years, contracts have been signed with a number of republics for joint protection of the external borders of the Commonwealth at the former borders. Teams of Russian border troops are serving together with national border structures in Armenia, Georgia, Turkmenistan, Tajikistan, and Kyrgyzstan. An agreement is being developed to create a joint command of the border services of Russia and Kazakhstan.

According to data of the Russian Federation Federal Border Service [FPS] Information Agency, in 1994 the profit from the operations "Zaslon," "Putina," and "Rubezh" and from stopping contraband cargoes at the border exceeded the maintenance costs of the Russian Border Service itself by 1.6 trillion rubles. Jointly with customs organs, last year they found and stopped 1,572 weapons, more than 80 thousand various munitions, 4,680 kg of explosives, and 1.5 tonnes of drugs, and prevented the export of 36 tonnes of nonferrous metals and 740 tonnes of diesel fuel alone. At the crossing points they managed to catch 3,981 persons trying to cross the border with documents that were counterfeit or belonged to someone else. In connection with the violations of state border procedures, 38 criminal cases were brought against 72 people.

This year too the border troops will be able to protect the borders at the same level. But judging from the problems described to journalists at a press conference by leaders of the FPS RF, it will be quite difficult for the border troops to accomplish their assigned missions.

At present more than 40 percent of the automotive transport in a formation of units of border troops has been operated for 6 or more years. Thirty-six percent of armored equipment has been in commission for 10 years or more. Forty percent of the signalling systems and complexes covering more than 2.5 thousand km of border have served out their established operating lives and require replacement. Roughly the same percentage of communications equipment has concluded its operating life. The aircraft used by the border troops have also seen better days. These subunits are equipped at just the 86-percent level. But because of the lack of finances for the purchase of spare parts and wages for repairs, even with the existing inventory, 15 percent of the planes and helicopters are laid up. In the naval forces of the border troops, 93 ships and 200 patrol boats require replacement. Because of the lack of icebreaker- class ships, the border and economic zones of the country in the Arctic go virtually unprotected. To all this must be added also the continuous shortage of fuels and lubricants.

The list of problems which the border troops have encountered could be extended even further. In conformity with the missions assigned by the country's leadership, a plan for the construction and development of the RF FPS was drawn up. At the end of July of last year, a draft estimate of expenditures of the border service for 1995, in the amount of 5.5 trillion rubles, was presented to the RF Ministry of Finance. After coordination, this sum was cut first to 3.5 trillion, and then to 2.1 trillion rubles. But in the words of Lt-Gen Aleksey Shcherbakov, deputy director of the RF FPS, this amount scarcely suffices to finance even the priority expenditures. With this apportionment, practically nothing remains for the purchase of new weapons and equipment, repair and scheduled tasks, development of the infrastructure and technical border-protection systems, or social programs.

International Affairs

Estonian Prime Minister Arrives on 'Working' Visit

LD1502143995 Kiev UNIAR in Ukrainian 1345 GMT 15 Feb 95

[FBIS Translated Excerpt] Kiev, 15 Feb—Estonian Prime Minister Andres Tarand has arrived on a working visit to Ukraine. Andres Tarand was met at Borispol airport by Ukrainian Prime Minister Vitaliy Masol and Foreign Minister Hennadiy Udovenko. [passage omitted]

We have emerged from one conglomerate—the former USSR, Mr. Tarand stressed in a conversation with journalists. Ukraine and Estonia have a similar past and, I hope, a similar future. But it is easier for little Estonia to integrate with the European Union than it is for big Ukraine. We understand your problems. It is possible that our experience could be of use to you.

The program of the visit envisages a meeting between Andres Tarand and Ukrainian Prime Minister Vitaliy Masol and Oleksandr Moroz, chairman of the Supreme Council. Ukraine's Foreign Minister Hennadiy Udovenko will meet Estonia's foreign minister. [passage omitted]

Masol, Tarand Discuss Bilateral Cooperation

LD1502183395 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 15 Feb 95

[FBIS Translated Text] Ukrainian Prime Minister Vitaliy Masol has met with Estonian Prime Minister Andres Tarand who arrived in Ukraine on an official visit. The sides reaffirmed their mutual interest in extending cooperation between the two states.

We have already understood that we cannot exist in isolation, Vitaliy Masol underlined. Conditions should be created for our businessmen to be able to work normally.

The meeting dealt with a number of agreements that will encourage wider-ranging economic relations between Ukraine and Estonia, under preparation by the experts. They are, in particular, an agreement on free trade, a treaty on cooperation in merchant marine, and other documents, due to be signed 1 April.

The sides acknowledged their proposals on setting up north-south motor transport links merited further attention. Ukraine has an interest in new highways across its territory. The experience of Estonia in economic reform can be equally beneficial.

Estonian Prime Minister Andres Tarand said his country fully appreciates the role of Ukraine in Europe as an important factor of balance. The fact the two states have in common is that both of them are aspiring to establish a democratic and affluent society.

The meeting pointed out there should be the political will and effective state power accordingly for reforms to be carried out successfully.

The Estonian prime minister also took interest in Ukraine's view about the 50,000 Ukrainians resident in Estonia, which represents three percent of that country's population. We would like Ukrainians to have their national schools with up-to-date equipment and teaching materials, he said. To do so, we need the support of the Ukrainian side.

Sign Cooperation Accords

LD1502221795 Kiev UNIAN in Ukrainian 1915 GMT 15 Feb 95

[FBIS Translated Excerpt] Kiev—The prime ministers of Estonia and Ukraine, Andres Tarand and Vitaliy Masol, ended their talks on 15 February with the signing of three intergovernmental accords: a treaty on legal assistance and legal relations in civil and criminal proceedings, an agreement on mutual promotion and protection of investments, and an agreement on cooperation in the railway transport sector. Prime Minister Masol told journalists a free trade agreement between the two countries would be signed in March. [passage omitted]

Pledge Further Cooperation

LD1602100595 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 16 Feb 95

[FBIS Translated Text] A meeting between the foreign ministers of Ukraine and Estonia has taken place within the framework of the Estonian prime minister's visit to Ukraine. Ukraine's Foreign Minister Hennadiy Udovenko and Estonia's Foreign Minister Juri Luik exchanged views on the current state of Ukrainian-Estonian relations and the activities of Ukraine and Estonia in the international sphere. They stressed the need to further develop all-round political and trade and economic cooperation between the two countries.

Meshkov Supports Eurasia Union

954F1346A Simferopol KRYMSKIYE IZVESTIYA in Russian 11 Feb 95 p 1

["Governmental Telegram of the Almaty House of Government to Kazakhstan Republic President N.A. Nazarbayev and Appeal to the CIS Heads of State Participating in the Almaty Meeting"]

[FBIS Translated Text] ESTEEMED NURSULTAN ABISHEVICH! I REQUEST THAT YOU PROMULGATE OUR APPEAL IN THE HIGH FORUM OF COMMONWEALTH COUNTRIES IN ALMATY. **APPEAL TO THE CIS HEADS OF STATE PARTICIPATING IN THE ALMATY MEETING**

Esteemed Gentlemen!

Ardently supporting your efforts to strengthen cooperation in the sphere of defense, the economy, safeguarding of borders, customs control, and humanitarian contacts, I am hoping for further development of this cooperation within the framework of implementation of the concept of the Eurasian Union.

The Crimean Peninsula has always received all guests of every nationality, from any corner of the former USSR, with cordiality and hospitality. We are deeply convinced that henceforth as well, for all of time, Crimea must not only be the health and resort center for all people from the CIS countries, but must become a peninsula of peace, friendship, and unification of the citizens of Commonwealth countries.

In the event of establishment of the Eurasian Union, we propose to make Crimea the location of its staff headquarters. Objective circumstances exist in favor of this:

a) Proximity to all the CIS countries and convenient transportation links;

b) The kindly predisposition of Crimean Republic residents to representatives of all nationalities, and excellent environmental and climatic conditions for fruitful work;

c) Our readiness to afford high-quality premises and everything else necessary to accommodate representatives of the Commonwealth countries on short notice.

I am relying on the wisdom of Commonwealth heads of state in this most important matter—the unification awaited by all our peoples.

With sincere respect,

[Signed] President of the Crimean Republic Yu. MESHKOV

City of Simferopol

9 February 1995

No. 1262

Report on Meshkov's China Trip

954F1366A Simferopol KRYMSKAYA PRAVDA in Russian 14 Feb 95 p 1

[Unattributed report: "The President of Crimea Visited China"]

[FBIS Translated Text] President of the Republic of Crimea Yu.A. Meshkov visited the People's Republic of China as head of a Crimean delegation. The visit was organized by the Ministries of Foreign Affairs of Ukraine and the PRC and took place from 21 to 28 January of this year. The president's first aide, V.D. Karpov, told us about the visit's results.

On 21 January, on the day of arrival, a reception was given by the Beijing mayoralty in honor of the president of Crimea. During the reception, an interested exchange of opinions took place on the main directions of cooperation. In particular, Beijing's deputy prime minister expressed a wish to develop cooperation in the area of agricultural product processing, cargo transportation, and implementation of a number of concrete projects.

On 27 January the Ukrainian Embassy in the PRC gave a reception in honor of the delegation. It was noted at the reception that ties between Crimea and Hainan Province, which is Republic of Crimea's direct partner and is the largest free economic zone in China, also must play a special role, which will manifest itself in faster and more intense development of bilateral cooperation.

On 23 January the delegation held talks with the PRC's state committee on economic reform, the national tourist administration, and the Ministry of Communications. Main directions of cooperation were outlined and its concrete forms discussed. The Ministry of Communications' leadership, as well as top officials of China's largest marine freight company Kosko who were present at the negotiations, expressed a particular interest in cooperation. They see Crimea as a foreign trade gate of Ukraine and other CIS countries.

The conversation continued in a more or less the same key in Shanghai, where the mayoralty held a reception in honor of the delegation. Vice mayor of Shanghai proposed partnership in the area of finance, creation of joint banks and other financial institutions.

In the capital of Haikou Province [as published], talks were held with heads of leading economic agencies interested in developing cooperation with the Republic of Crimea. The delegation visited a number of enterprises and was shown the workings of hotel and tourism companies.

In the city of Sanya, the delegation had the opportunity to view the operations of a new airport—the largest in southern China, as well as End of the Earth and The Silver Coast tourist complexes. The mayors of Sanya and Qionghai held receptions in honor of the delegation, where prospects for cooperation with concrete territories in the province with the Republic of Crimea were discussed.

Aware of the difficult economic situation of Crimea, the leadership of Hainan Province decided to provide on a nonrepayable basis foodstuffs worth 1 million yuan (approximately $120,000).

On the results of the visit, a memorandum was signed on development of friendship and cooperation between Hainan Province and the Republic of Crimea and an agreement on nonrepayable shipment of goods to Crimea.

Delegation's Visit to Romania Assessed

LD1502192595 Kiev UNIAN in Ukrainian 1500 GMT 15 Feb 95

[FBIS Translated Text] Kiev—A delegation of Ukraine, led by Borys Tarasyuk, Ukraine's first deputy foreign affairs minister, ended a visit to Romania, UNIAN was informed by the Foreign Affairs Ministry on 15 February. During the visit the sides exchanged certificates on the ratification of the Consular Convention.

There was a meeting between Borys Tarasyuk and Romanian President Ion Iliescu where they voiced views on the settlement of problems in the development of Ukrainian-Romanian relations.

Members of the Ukrainian delegation also had meetings with Romania's state minister [as received] and foreign affairs minister. At the meeting with the foreign affairs commission of the parliamentary Chamber of Deputies, the consensus between the sides was that expert work should start immediately on the text of a fundamental political treaty and other legal acts. The meeting outlined the timescale for this work to take place.

Yuriy Serheyev, head of the information department at the Foreign Affairs Ministry, told UNIAN about a package of documents handed to the Romanian side at the 49th UN General Assembly session. The documents, in particular, related to the sphere of transport. The Ukrainian side believes the following should be dealt with by both countries' government delegations: an agreement on the activity of water companies in border regions, rail links across the state border, cooperation and mutual assistance in customs matters, and legal succession.

Communists Appeal for Laborers To Protest

954F1346B Simferopol KRYMSKIYE IZVESTIYA in Russian 11 Feb 95 p 1

["Statement of the Presidium of the Central Committee of the Ukrainian Communist Party, the Republic Committee of the Crimean Communist Party, and the Supreme Council Deputy Faction 'Communists of Ukraine for Social Justice and Sovereignty of the People': We Will Not Permit a New Blow to the Standard of Living of Workers—The Time Has Come To Act!"]

[FBIS Translated Text] How many times now have the Ukrainian Communist Party and Communist people's deputies warned so-called reformers that it is dangerous to keep the Ukrainian people at the limit of their perseverance and trifle with them? Submissively following the guidelines of the International Monetary Fund, for which we have evidence in writing, the Pynzenyks, Shpeks, and other irresponsible leaders who have elbowed their way into power are utterly fleecing the people.

This can be seen in the recent resolution of the Cabinet of Ministers "On the Draft State Budget of Ukraine for 1995."

The orientation of the budget being proposed envisages the acute impoverishment of an overwhelming majority of the people and a new, compounded enrichment of a small contingent of the bourgeois class at the expense of the workers, despite repeated statements by the president attesting to the social morality of his policies.

Envisaged here is a diminution by 61 percent from the 1994 level of the taxation of banking and commercial activity, which opens up prospects for a more than doubling of profits without producing anything.

Yet heaped on the shoulders of the workers we see compounded increases in the prices of gas, coal, food, and consumer products, and in the costs of city transportation and housing and municipal services. Envisaged here are limitations in the pensions of working pensioners and individuals receiving pensions by virtue of labor tenure; reduced benefits for Chernobyl people; some educational institutions shifting to operation on a paid basis; elimination of free lunches for pupils in grades 1-4; partial payment for the use of textbooks; payment for food and medicine in hospitals; elimination of benefits for parents with children under age 16; reduction of benefits to workers in law and order organs and military servicemen; and reduction of benefits to pensioners with respect to housing, energy supply, and transportation.

As the result of an anti-state, anti-people economic policy, we stand on the threshold of sharp reductions in job positions and the repayment of foreign credits through the sale of debtor enterprises.

The Communists of Ukraine believe it is criminal to resolve issues of "patching up" the state budget at the expense of the elderly, children, people of Chernobyl, and Afghanistan war veterans, just as it is to do so at the expense of workers, peasants, and the working intelligentsia. The only people who can act this way are those who do not know and do not wish to know the suffering and tribulations being experienced by the overwhelming majority of Ukrainian citizens. We have said and continue to say that we must begin to find the reserves for the budget by returning to the Ukrainian people that which the "fat cats" stole from them over four years of destruction of the state, by sharply reducing the inordinately inflated bureaucratic apparatus of government, including the president's administration, the Cabinet of Ministers, ministries, and departments.

Proceeding from the actual situation we face, Communists have made repeated proposals to the president and government with respect to the following, of the need for which we are today convinced more than ever before:

—Introduction of a moratorium on price increases;

—Introduction of a state currency monopoly and monopoly on foreign trade;

—Cessation of the privatization that has so plundered the people;

—Nationalization of commercial banks and insurance companies;

- —Cessation of the violent breakdown of kolkhozes and conversion of the land into objects of purchase, sale, and profiteering;
- —Regeneration and stimulation of production;
- —Centralization of management of the economy in the critical situation we find ourselves, realizing that without this it will be impossible to extricate the country from its all-encompassing economic crisis without at the same time losing not just the social gains of the people, but putting the very existence of the state in jeopardy as well.

We have advocated and continue to advocate the strengthening of executive authority. But we will fight to the end in support of the organs of sovereignty of the people as personified by the Councils—the only organs that will prevent dictatorship, and all the bloodshed and suffering endured so often by our people.

Ever more clearly, however, we see the outlines of a dangerous trend, when the president adopts edicts in violation of the Constitution and the laws of Ukraine to establish and consolidate dictatorship in the name of bourgeoisie interests. We see this in his edicts on accelerated privatization, on the authority, on use of the land, on the treasury, and on the National Guard.

Everything is being set in motion in order to satisfy dictatorial ambitions—from inflammation of anti-Russian sentiment to direct threats and intimidation of non-like-minded thinkers, up to and including the filing of criminal charges for legal attempts of the people to restore justice.

Declaring their resolute protest against an anti-people policy, Communists appeal to the people.

Comrades! Your destiny, the destiny of Ukraine, depends on you. With your tacit consent, not only are they taking away from you your last piece of bread, they are depriving your parents of a tranquil and secure old age. They are sending them to the grave before the appointed time and turning you into a silent and obedient throng of slaves destined to toil for a small group of thieves and bourgeois.

The time has come for all honest workers to resolutely protest a pernicious, anti-people policy, when the top echelon cannot govern, and the lower elements do not want to live a dog's life.

Sevastopol Mayor Skeptical About Black Sea Fleet Accord

LD1502203895 Kiev UNIAN in Ukrainian 1500 GMT 15 Feb 95

[FBIS Translated Text] Sevastopol—"The declaration on the settlement of the Black Sea Fleet issue, drawn up in the course of Russia's First Deputy Chairman Oleg Soskovets's visit to Kiev at the head of a state delegation, is no step forward as it settles nothing either about the fleet or about Sevastopol," Viktor Semenov, the chairman of the Sevastopol city council and executive committee, told a news conference on 15 February.

He said the transfer to communal ownership of property at the military facilities vacated by the fleet, is fully in accordance with the Ukrainian laws, which was why the hullabaloo of the mass media about it was groundless.

Foreign Minister Meets With Iranian Envoy

LD1502212595 Tehran IRNA in English 2022 GMT 15 Feb 95

[FBIS Transcribed Text] Moscow, Feb. 15, IRNA—A meeting in Kiev today Iranian Ambassador to Ukraine Behzad Mazaheri and Ukrainian Foreign Minister Hennadiy Udovenko, reviewed bilateral cooperation as well as prospects of tripartite economic cooperation with the republic of Turkmenistan.

Referring to the important role played by Iran and Ukraine in the region, Udovenko underlined the importance of the bilateral relations between Iran and his country.

He also attached great importance to the proposed tripartite economic cooperation involving the countries and Turkmenistan.

Udovenko is to lead a high-ranking delegation to Iran in the near future. The delegation will also include Ukraine industry minister and deputy Ukrainian energy minister.

The visit of the Ukrainian delegation will coincide with a visit to Tehran by a (?Turkmen) delegation, and the three sides would discuss prospects of tripartite cooperation.

National Affairs

Parliament Calls For Firing President's Chief of Staff

LD1502214395 Moscow INTERFAX in English 1903 GMT 15 Feb 95

[FBIS Transcribed Text] KIEV, Feb 15 (Interfax - Ukraine)—The Ukrainian parliament, Verkhovna Rada, passed a resolution on Wednesday [15 February] offering the president to consider whether or not it was practical to keep his Chief of Staff Dmitriy Tabachnik in his office.

The resolution was approved by 204 votes for and 12 against.

The decision follows an incident taking place at the end of last month when a group of 15 deputies had been denied entry into the administration building to attend a session by the coordinating committee against organized crime.

The resolution also calls for administrative punishment of officials responsible for the violation of the legislators' rights. The prosecutor general is instructed to verify the facts and punish those to blame accordingly.

A number of parliamentary commissions are instructed to examine if the status of administration officials is compatible with the Ukrainian constitution. They are also to examine the expenditure for the upkeep of the administration and report back to the Rada.

The Rada was not expected to discuss the issue, leader of a parliamentary group drafting the resolution Petr Sheyko told Interfax. But we had to set a precedent given that Parliament Speaker Oleksandr Moroz tried to resolve the dispute in a usual way, he said.

Investigation Ordered Into Rights Violation

LD1502150395 Kiev UNIAN in Ukrainian 1250 GMT 15 Feb 95

[FBIS Translated Text] Kiev—Ukraine's Supreme Council today passed a resolution "On the facts of violations of the rights of Ukrainian people's deputies" by 204 votes in favor and 12 against the decision. The resolution rules that actions by presidential administration and state guard directorate officials during the 30 January expanded meeting of the coordinative committee to combat corruption and organized crime were in breach of the Ukrainian Constitution and law "On the status of a Ukrainian people's deputy."

It was suggested that Leonid Kuchma should settle the issue of whether it is expedient for Dmytro Tabachnyk to hold the post of head of the presidential administration, and to discipline other officials who are to blame for violating the rights of deputies.

The procuracy general of Ukraine is instructed to check the facts of the violations to the rights of deputies.

Four parliamentary committees are tasked with examining the status and activity of presidential administration officials with regard to the Ukrainian Constitution and laws, and the lawfulness and advisability of the actual volumes of budgetary allocations to its maintenance.

The Supreme Council Presidium is entrusted with supervising the implementation of this resolution.

Law Adopted To Counteract Drug Trafficking

LD1502205795 Moscow INTERFAX in English 1930 GMT 15 Feb 95

[FBIS Transcribed Text] KIEV, Feb 15 (Interfax - Ukraine)—The Ukrainian parliament adopted a law on measures for counteracting illegal trafficking and abuse of drugs and mind-bending agencies today.

The law was adopted with 230 votes of the 302 votes cast.

The law instructs financial departments to make available information on operations and banking accounts of legal entities and individuals suspected of participation in illegal drugs trafficking on the corresponding demand of law enforcement.

The investigating departments will have 50

of the cost of seized property accumulated as a result of criminal activities.

The Ukrainian parliament also approved in the second reading the law on trafficking of drugs and mind-bending agencies and their analogues in Ukraine. The law was backed by 214 of the 301 deputies voting.

The law admits use of drugs only in medical purposes and for scientific research.

Soporific poppy and hemp can be cultivated only on the basis of the state order and strictly in the quantity set by the order.

Enterprises cultivating these plants must take all necessary measures for protecting the crops and the places of its processing.

The Ukrainian government will give permissions for import and export of drugs.

Legislator Warns About G-7, Chernobyl AES

AU1502140795 Kiev HOLOS UKRAYINY in Ukrainian 11 Feb 95 p 2

[Report by Ivan Dmytrenko: "Why Not Utilize Chinese Experience?"]

[FBIS Translated Text] Why not utilize Chinese experience? This question, which is far from rhetorical, was raised by Mykhaylo Pavlovskyy, chairman of Ukraine's Supreme Council Commission for Issues of Nuclear Policy and Nuclear Safety, in a conversation with your correspondent. The stress was on whether there is or is not to be nuclear power engineering in Ukraine.

There is nothing surprising about this: Today, our atomic electric power plants [AES] bear the main burden in providing the national economy with electricity. At the same time, there are influential forces both within the country and, especially, outside it, that seek the closure of atomic electric power plants in Ukraine. The catastrophe at the Chernobyl AES is used by them as the main argument, or notably, the bugbear. For years, open and covert political speculations have gone on surrounding its closure.

Is this not too strongly expressed? Oh no! Without atomic electric power plants, including the Chernobyl AES, Ukraine cannot survive, stressed M. Pavlovskyy. They produce one-half of all of Ukraine's electricity. Today, there is no effective alternative to them. It may take 10 to 15 years at least to create such an alternative (by modernizing operations and building new thermal plants). Can Ukraine afford such a "luxury"? The commission chairman asserts point blank: It can't! In view of which it was obviously illogical, moreover, ruinous for the country to agree to the G-7 demand that the Chernobyl AES be closed down. What explanations are given for such a demand? Safety for Ukraine and Europe. However, excuse me: Safety at the Chernobyl AES is currently raised to a level that exceeds the necessary safeguards at the majority of Russian and European AES's.

Where is then the true reason for the demand that Ukraine be deprived of its energy? It was simply meant to compel us to beg our foreign "benefactors" for money to build.... a new AES! explained M. Pavlovskyy. Equipment for them will be supplied by firms of countries that are members of that same omnipotent G-7. Despite the fact that Ukraine has its own, sufficiently high, scientific and technological resources for the development of nuclear power engineering. What do we get out of accepting the conditions set by the G-7? Figuratively speaking, we will have the funeral of our own nuclear machine and instrument building; will lose hundreds of thousands of jobs; will crawl on our knees into the economic and scientific and technological bondage of Western firms, and will, of course, generously invest in them the same capital that was lent to us as an expression of "mercy" for stupid and miserable us.

Here is just one example. The Chernobyl AES presently generates 7 percent of the total amount of available electricity, and if it is closed down, there will also be 100,000 unemployed, since this is the number of people employed at the plant and in the vicinity of the Chernobyl AES. This implies a social upheaval, the consequences of which are difficult to predict....

Proceeding from these sober and somewhat shocking considerations, M. Pavlovskyy arrives at the following conclusion: Must we always implement everything that foreign advisers recommend that we do and unconditionally adopt the plans they proposed, as has been the case until now? Wouldn't it be better to assimilate the experience of China, which accepts foreign investors' proposals only provided that the implementation of specific plans involves the introduction of advanced technologies and ensures new jobs in the Chinese economy? M. Pavlovskyy's conclusion is explicit: This experience deserves to be adopted. Regarding the fate of our nuclear power engineering (the future belongs to it), Chinese pragmatism must be copied. We must also remember: Ukraine's independence in terms of power engineering is a pledge of its political independence. Let us be sober-minded!

Chernobyl's Capacity Reduced Because of Reactor Fault

LD1502220395 Kiev UNIAN in Ukrainian 1915 GMT 15 Feb 95

[FBIS Translated Text] Kiev—Staff at the Chernobyl nuclear power plant at 1620 [1420 GMT] on 15 February reduced the capacity of generating set No 1 to 70 percent owing to a fault in the reactor physical parameter computation system, UNIAN has been told by the information center at Ukraine's Derzhatomnahlyad [state committee for the control of work safety in nuclear power engineering]. This was done in compliance with the technological procedure. After the removal of the fault at 1730 [1530 GMT], staff initiated an increase in the reactor's capacity, with the generating set expected to regain full capacity by approximately 1900 [1700 GMT] on 15 February. Due to the shortcomings of the safety systems, Derzhatomnahlyad restricts the normal operating mode of the Chernobyl nuclear power plant's generating set No 1 to 80 percent of its nominal capacity.

Congress Asks for Unified Slavic State

954F1345B Simferopol KRYMSKIYE IZVESTIYA in Russian 11 Feb 95 p 1

[Report from the press service of the Slavic Duma of Crimea: "The Slavic Congress of Crimea"]

[FBIS Translated Text] The First Slavic Congress of Crimea was convened last Saturday in Simferopol. Gathering together for the first time in a representational forum were delegates of Russian, Slavic, and Christian orientation from over 30 political parties and social organizations of the Crimean Republic. The initiative for conducting the congress was exercised by the Russian Party of Crimea, the Sevastopol organization Union—Prosperity in Unity, the Party of Economic Rebirth of Crimea, the Russian Community of Crimea, and Russian Community of Sevastopol.

The congress was chaired by Sergey Shuvaynikov, leader of the Russian Party of Crimea and head of the organizational committee. Aleksey Melnikov, deputy chairman of the Crimean Supreme Council, delivered a greeting to congress delegates and guests. He stated his desire that Slavs of the Crimean Republic be united in the struggle for their political, economic, and social interests, and expressed confidence that the work of the congress and organs established by it would constitute a significant contribution towards the reestablishment of a unified great power. Guests representing the Party of Slavic Unity of Ukraine, Congress of Russian Communities, and the international Party of Slavic Unity took part in the work of the congress.

Congress delegates adopted an appeal to the presidents and parliaments of the three Slavic states, calling upon the highest organs of power, on behalf of the Slavic peoples of Crimea, to initiate the process of reestablishing a unified Slavic state that would meet the requirements of the majority of Russians, Ukrainians, Belarusians, and other peoples inhabiting the territory of the former Soviet Union. Slavic Crimeans are prepared to render support in this difficult and complicated matter through the use of methods of people's diplomacy. In the opinion of the majority of congress delegates, without a unified Slavic state, there is no future for any of the peoples of the Russian Federation, Ukraine, or Belarus Republic.

An informal representational organ of people's self-government of the Slavic peoples of the Crimean Republic—the Slavic Duma of Crimea, was elected at the congress. The Slavic Duma includes delegates from the majority of parties and organizations participating in the work of the Slavic forum. Its first session is planned for the end of February, but work has today already begun on drawing up the draft Declaration of the Slavic Peoples of Crimea, on questions involving the tactics and strategy of the Slavic movement during the period of elections of local organs of power, and on establishing executive committees of the Duma in all regions of the Crimean Republic.

Legality of Control Commission Debated

954F1323A Simferopol KRYMSKIYE IZVESTIYA in Russian 10 Feb 95 p 1

[Report of the Crimean Supreme Council press center: "The Second Session of the Crimean Supreme Council"]

[FBIS Translated Text] At the evening plenary session of the Crimean Supreme Council on 8 February, the deputies continued to discuss the question of no-confidence in the Crimean Supreme Council's presidium and its resignation, and decided to hold a vote by secret ballot.

At the proposal of M. Bakharev, chairman of the permanent commission on the mass media and public relations, the deputies decided to include on the ballot 14 members of the presidium.

Chairman of the Crimean Supreme Council S. Tsekov proposed to include on the ballot the name of the Supreme Council chairman; however, the session declined this proposal.

The Crimean Supreme Council decided to give all deputies of Crimean Supreme Council the opportunity to participate in the vote. To accomplish this, the vote will be conducted in two stages. Seventy-seven deputies participated in the first-stage vote. The second stage will take place on 15 February, after which the results of the vote will be totaled.

At the morning session on 9 February, the deputies began to discuss the question of violation of Republic of Crimea law in connection with the adoption of the Government of Crimea's decree "On the Government of Crimea's Control Commission." The report on this matter was presented by S. Nikulin, chairman of the Crimean Supreme Council's permanent commission on state organizational development, legislation, legality, and law and order; he emphasized that the government has modified the original decree on the creation of the Control Commission and the statute on this commission, which hence were no longer in conflict with the law. In S. Nikulin's opinion, the Crimean Supreme Council may take under advisement the information on the Control Commission or find its activities unadvisable. Deputy S. Savchenko in her comments pointed out gross violations of the law in drafting the statute and forming the Control Commission. Deputy L. Grach emphasized that the creation of the Control Commission violated the principle of separation of powers. Besides, in L. Grach's opinion, the Control Commission's activities duplicate the functions of the Control and Audit Administration, the tax inspectorate, the procuracy, the Internal Affairs Directorate, and other structures. L. Grach proposed to repeal the government decree on the grounds that it was in conflict with the law. Deputy V. Korolev proposed to liquidate the Control Commission and to set up people's control organs in Crimea. V. Mezhak, deputy chairman of the Crimean Supreme Council, proposed to set up in the Crimean Supreme Council a permanent commission on government liaison, which would include specialists in production and agrarians. V. Nikolayev said that the Crimean Government's decree ought to be repealed as anti-constitutional. Deputy V. Kiselev said in his remarks that violation of law in the creation of the Control Commission followed from the mistakes made in appointing the current composition of the government. V. Kiselev also warned the deputies against transferring the Crimean State Property Fund to the government's jurisdiction and said that "after that, there will not be anything left to divide in Crimea for anybody."

Deputy Gritsenko took the opposite view; he said that the government has a right to create control organs. Deputy A. Korotko commented on the inadvisability of creating yet another commission in the Crimean Supreme Council. Presidium member M. Bakharev noted that creating a commission in the Supreme Council would duplicate the government function and emphasized that the government has the right to set up control organs.

A. Senchenko, deputy prime minister of the Crimean Government, emphasized that the Control Commission was created for the purpose of monitoring execution of government decisions.

Presidium member A. Danelyan said in his remarks that in his opinion, bringing up the question of the Control Commission is an attempt to get even, and that there was no violation of law in the creation of the Control Commission.

Presidium member S. Nikulin said that the Crimean Supreme Council does not have legal rights to repeal a government decision.

Chairman of the Crimean Supreme Council S. Tsekov suggested recommending to the government to make changes in the Control Commission's membership and to drop the question from further discussion.

After a debate, deputies decided to postpone the consideration of this issue and come back to it in two weeks. V. Mezhak, deputy chairman of the Crimean Supreme Council, was tasked with monitoring this issue.

The session continues its work.

AN-70 To Be Built Despite Prototype Crash

LD1502203095 Moscow INTERFAX in English 1940 GMT 15 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 15 (Interfax)—Another experimental model of the AN-70 medium military-cargo aircraft of a new generation will be built this year, Grigoryy Nesterenko, a representative of the Kiev-based aviation scientific-technical complex named after Antonov, told Interfax.

The aircraft is expected to replace the outdated AN-12 and, in some cases, the IL-76.

In the words of Nesterenko, the Ukrainian planebuilders will work hard to save the 15-years-long program of the plane design that also involves Russian specialists. The program was endangered by the crash of the first experimental model of the AN-70 on February 10, 1995. The program provides for the production of 1,500 aircraft. The first model of the batch production is expected to take off in the first quarter of 1997.

Another experimental model will be built only if the Russian side keeps its promise to finance 80% of the program which was registered by an intergovernmental agreement of 1993.

The AN-70 is the world's unique.[as received] It has attracted great interest of several Western firms. At first, the new cargo plane capable of transporting up to 35 tones of cargo at a distance of 5,500 kilometers was meant for the Soviet Defence Ministry. The Russian Armed Forces have voiced their need for 400 machines of the sort.

The only experimental model of the AN-70 crashed on February 10 near Kiev during a test flight as result of a collision with another aircraft.

Strategic Bombers Require Costly Maintenance

LD1502182395 Kiev UNIAN in Ukrainian 1415 GMT 15 Feb 95

[FBIS Translated Text] Chernigov Oblast—"Ukraine requires over $10 million per annum to fully maintain and fly its heavy bombers, with an annual requirement of $8 million and $2.7 million respectively to keep Tu-160 and Tu-95 strategic bombers operational," Lieutenant General Volodymyr Antonets, the commander of the Air Forces of Ukraine, told a news conference today. He added negotiations were under way with the Russian military on the transfer of Tu-160 and Tu-95 strategic bombers to Russia. Most importantly, the single methodology should be devised to determine the value of these aircraft, he said. Although there have been certain differences on this issue, there will be a decision very soon, Volodymyr Antonets concluded.

There are 19 Tu-160 strategic bombers with a capability of carrying up to 12 long-range nuclear cruise missiles at the base of Priluki, with the value of each put by the Air Forces of Ukraine commander at $360 million. These bombers are analogous to U.S. B-1B's.

Volodymyr Antonets recalled that talks with the Russian military focused on the hand-over of these aircraft to the Russian Federation in exchange for spare parts, fuel, including aviation fuel, maintenance and repairs to Ukrainian aircraft.

At present, approximately 40 Tu-160 and Tu-95 heavy bombers, the inheritance of Kiev after the disintegration of the USSR, are deployed in Priluki and Uzin in Ukraine. The talks between Ukraine and Russia on a possible change of hands, already in progress for three years, are due to continue shortly. A Ukrainian general disclosed, however, that Russia had so far only proposed buying seven Tu-160 bombers.

Meshkov Addresses Parliament

954F1345A Simferopol KRYMSKAYA PRAVDA in Russian 11 Feb 95 p 1

[Article by T. Ryabchikova: "What Hope Will the President Bring?—In Session of the Crimean Supreme Council"]

[FBIS Translated Text] When deputies entered the hall following the lunch break on Thursday [9 February], they saw Yu.A. Meshkov himself in the Crimean Republic president's chair, vacant since September.

The president requested the floor and stated that his speech today in the parliament would be a report on the work of the government he has headed for nine months and an assessment of the overall situation in Crimea.

Yu.A. Meshkov reminded deputies from the Russia bloc that they came to parliament to fulfill a joint program with the president and accomplish common tasks.

What did the Crimeans who elected the president and parliament vote for? For dual citizenship, for friendship with Russia, for relations with Ukraine on a treaty basis, for service by Crimeans in Crimea, and for a ruble zone.

The president stated that the legislative initiative on dual citizenship had been lost, and that he saw no fault of his own here. The decree on service by Crimeans in Crimea, adopted 20 May of last year, was not in effect "due to the principle of political vigilance of Ukraine." The matter can be corrected, however, Yu.A. Meshkov believes. For his part, he is prepared to see to it that the decree goes into effect by the spring call-up. But this would require not only his efforts, but those of the body of deputies as well.

The president devoted a significant portion of his hour-and-a-half speech in the Supreme Council session to concern for the needy, the fight against crime, and assistance to citizens from among the peoples deported.

He noted with regret that both the parliament and the president, having obtained their authority from the same people, were unable to suitably wield this authority, bringing about the sad results we presently see.

The president stated that he had wanted many times to come to parliament, but that "this would not have been properly perceived." He appealed to the deputies to "clench their teeth, support the Ukrainian president's program, and begin to implement it. For there is no other way for the state to survive."

Each one of us retains a responsibility to those who elected us, the president stated in conclusion. "Together we will overcome everything. It is with this hope that I address you."

In accordance with regulations governing the conduct of a session, recess was declared following the president's speech, during which Yu.A. Meshkov left the hall of parliament. Discussion of his speech did not take place for this reason.

Deputies adopted a resolution affording the Sudak State Forestry and Hunting Management long-term use of hunting preserves, and the Decree on Measures for Development of the Customs Service in the Crimean Republic.

The next regular session of the parliament will convene next Wednesday.

Crimean Parliament Votes Out 9 Presidium Members

LD1502205595 Moscow INTERFAX in English 1930 GMT 15 Feb 95

[FBIS Transcribed Text] SIMFEROPOL Feb 15 (Interfax)—After the second round of voting by secret ballot on a motion of no confidence in the Crimean parliament's presidium nine of its 14 members were voted out, including two deputy speakers—Aleksey Melnikov and Viktor Mezhak. The name of the current speaker Sergey Tsekov was not on the list.

Four representatives of the biggest parliamentary faction, Rossiya (Russia), and one member of the agrarian faction stayed in office.

The Crimean parliament has 98 members and a no-confidence motion is passed if it is supported by a minimum of 51 votes.

The no-confidence motion against the presidium was initiated by the Respublika faction, led by Vladimir Klychnikov and supported by the Reform faction, led by Vladimir Sheviev and Kurultai under Refat Chubarov.

Local analysts believe the three factions are angry because they have no representatives in the Crimean parliament's presidium.

The Crimean parliament will hold by-elections of presidium members on February 16.

Controversy Over Crimea Presidium Analyzed

954F1323B Simferopol KRYMSKAYA PRAVDA in Russian 10 Feb 95 p 1

[Article by O. Shakhnyuk under the "Topical!" rubric: "Is This Just a Matter of Rotation?"]

[FBIS Translated Text] A question that has long become a nuisance—that of rotation of the Crimean Supreme Council's presidium—once again came to the forefront, overshadowing incomparably more important questions involving the economy—the foundation of foundations of our life.

After the famous "midnight-oil session" of the Crimean parliament on 1 December of last year, what appears to be the second round of the same duel broke out yesterday; this time, however, the question of presidium rotation was formulated more dramatically: as a question of overall confidence in it.

What I want to talk about today, however, is not the peripeteia of another "historic" vote on the fate of the presidium. In the final count, it has not changed much in the familiar disposition of forces represented in the parliament. Just as nothing earth-shattering would have happened if the deputies had accepted the proposal of their colleagues L. Grach to declare a moratorium on the sacramental question of presidium rotation or had voted, for instance, for deputy V. Brodin's proposal to discuss this issue... no more frequently than once a month.

The crisis the current Crimean Supreme Council is going through has much deeper roots than the power-grabbing ambitions of leaders of particular deputy factions who are eager to move into prestigious chairs in the presidium. It is incorrect to present the matter in such a way that it makes the problem appear to boil down to "deputy score-settling." From television broadcasts we learn that in the parliaments of Ukraine, Russia, Georgia, and even the supreme legislative bodies of such countries as Italy or Japan, "slugging it out" between deputies may be even more lively!

Let us not dramatize the mere fact of endless squabbling between people's elected representatives. Since the Supreme Council is a representative body, naturally, it accumulates (and this is the way it is supposed to be) all, or almost all, viewpoints existing in society, including polar ones. A parliament of any county is a mirror of public opinion, and the lawmaking process itself is not at all an assembly line, as some sincerely believe. It may be more appropriately compared to a slalom course, except that the role of obstacles in it is played by sometimes mutually exclusive interests of individual social groups and parties. And the true art of a "slalom skier"—the legislator—is in trying to take into account the balance of these interests in order to get through the difficult course.

It is this ability to compromise rather than naive belief in the magic advantage by two or three votes that makes both the parliament and the laws they adopt workable. If, for instance, the Crimean Supreme Council adopts, even in the name of the highest ideals, a law on matters of local self-rule without taking into account the interests of cities and rayons, will this law work?

Let us not be afraid of parliamentary debates and intense clashes of opinion. The only question is what constitutes the subject of such discussion. Even the wildest imagination will not make us conceive a situation, for instance, in the British Parliament whereby instead of discussing a law on taxation, their deputies would engage in a slugfest on the subject of the speaker and his "circle." These people in old-fashioned attire and powdered wigs are rather ceremonial figures that embody the unshakeability of British tradition. And if, for instance, the Polish Sejm's marshal holds consultations with the president of the country, nobody can accuse him of doing it secretly and without authorization from the entire parliament.

This is where we approach the crux of the whole problem. Neither British nor Polish nor other foreign parliaments have a higher body in the form of a presidium. And since it is not there, this apparently removes the temptation for deputies to accuse their colleagues of holding "leadership positions" of power-grabbing, careerism, and perk-chasing. I have enumerated only some of the accusations that "rank-and-file" Crimean Supreme Council deputies usually fling at the "chosen"—the presidium.

The point is that the parliamentary system we want so much to build assumes existence in the parliament of working, coordinating bodies rather than managerial ones. And instead of the presidium vested with certain authority, it would make sense to create a council of heads of permanent deputy commissions. Then the ill-fated (but inevitable!) rotation would become a headache for individual commissions instead of the whole parliament. Otherwise, the Crimean Supreme Council will be doomed to endless "battles of local significance" for portfolios on the Areopagus of power, which today is represented by the presidium wrapped in the aura of grandeur.

Economic Issues

Report Views Production Slump, Privatization

WS1602103095 Kiev HOLOS UKRAYINY in Ukrainian 9 Feb 95 p 10

[Report by Serhiy Lavrenyuk: "If Privatization Is Hampered, This May Lead to the Country's Disintegration"]

[FBIS Translated Text] **The past year saw crisis phenomena in Ukraine at their worst. According to preliminary data, the national income produced (compared to 1993) decreased by 26.3 percent. The largest decrease rates are in the industrial sector—29.5 percent, construction—35.5 percent, and agriculture—24.3 percent. Industrial production decreased by 28.3 percent, which is 1.6 times as much as in 1991-93. There was a particularly large downturn in the coal industry, non-ferrous metallurgy, the chemical and petrochemical industries, machine building, metalworking, and the construction materials industry. Gross agricultural output declined by 17 percent. The gross yield of basic crops was considerably lower than in 1993, while the output of the cattle-breeding sector decreased by 10 percent. These figures were provided by Valeriy Cherep, head of Ukraine's Supreme Council Commission for Basic Industries and Socioeconomic Development, during a regular meeting of the press club of market reforms.**

1. We Cannot Go Down Any Further

The drop in production, the disorganized finance and credit system, lack of money on the part of customers, and restrictions imposed on centralized capital investments resulted in a deteriorating situation in the investment sphere. Thus, in 1994, out of the 449 planned construction projects individually listed in Ukraine's state contract, only 10 were commissioned. The negative settlement balance in trade, according to data by the State Committee for Customs and forecasts by the Ministry of Economy, amounted to $1.8 billion in 1994. All this had an extremely negative effect on the budgets at all levels. The payment crisis deepened; the debts owed by enterprises and organizations to each other amounted to 464 trillion karbovanetses [K], while monies owed to them came to K351.8 trillion. It can be concluded from this that it is hopeless to try to save the economy by using old methods. There needs to be a qualitatively different socioeconomic and political situation. This is why Valeriy Cherep thinks that the state, acting in the national interest, should determine its strategic goal and current priorities while it is restructuring and reforming, and should further the achieving of this goal by using economic, administrative, and legal levers. The basis for all this must be our own domestic sources of accumulation and making effective use of our capacities and resources. We must legislatively create favorable conditions for efficient industries and production facilities of all forms of ownership, which determine the economic potential of the state, while at the same time gradually curtailing unpromising production.

2. The Industrial Achilles Heel

Analyses of the reasons leading to the drop in production, which are indispensable for discussing the future, as Valeriy Cherep underscores, show that the primary reason lies in the lack of energy resources. For the time being, we are forced to buy 87 percent of our oil and 83 percent of our gas. While we have a total oil refining capacity of 62 million tonnes [per year], our enterprises were able to refine only 17 million tonnes last year. This is where the Achilles heel of our industrial sector lies. This is why the Supreme Council recently adopted a resolution on the construction of an oil terminal in Odessa. The most surprising thing for me during the debate over this issue, Valeriy Cherep says, was that quite a large group of deputies opposed the construction project, even though there is general understanding that a large country such as ours, with such an industrial sector, cannot be tied to just one pipeline. The point is not whether we want to buy oil from Russia today or not, but that Russia itself will soon encounter similar problems: While five or six years ago Russia extracted 553 million tonnes of oil annually, today it plans to extract only 252 million. Furthermore, Russian pipelines are very often affected by accidents, therefore it is clear that we need to have three to five sources of supplies. As to those agreements signed with Middle East countries, they were not implemented because of our inability to transport or receive oil. The argument that there are currently over 10 terminals on the Black Sea coast does not hold water, because we do not own any of them. There is an oil unloading harbor in Odessa, but it can receive only 3-4 million tonnes of oil, while all the other facilities, which are also called terminals, are nothing more than piers.

3. Enterprises Are Not Operating, But There Are No Bankruptcies

Valeriy Cherep asks: What should we do next? And he replies: We have to look the truth in the face. This truth is that we need $18-20 million to resolve the minimum problems over energy supplies plus certain individual problems in the agro-industrial complex and light industry. Last year we earned nearly 9.5 billion [currency not specified] in export operations, but our export-import balance is negative. Hence, the only way out is to completely reorganize our economy. Statements to the effect that things in our industrial sector have recently been developing normally, are at least naive. While production is falling by 40 percent, all enterprises are in operation and all employees are being paid their wages, and, at the same time, the Ministry of Statistics reports that we have 89,000 unemployed; are we supposed to believe this? As actual fact, there may be from 3.5 to 4 million unemployed. However, everybody knows that as long as we have no law on social protection for the people who may lose their jobs tomorrow, we cannot declare our enterprises bankrupt.

We planned to privatize 23,000 enterprises in 1993. The actual number was 2,300. We planned to privatize over 20,000 enterprises in 1994. The actual figure was not comforting, either. These enterprises continue to be a burden on the state budget and, instead of replenishing it, require a great deal of money for themselves. Last year's budget, because of the unreasonable benefits granted to enterprises and sectors, got on average 6 to 7 percent less than it was due. This is why Valeriy Cherep believes that we cannot seriously speak about a 5 percent budget deficit unless we revise the procedures for budget drafting. Amendments must also be made to the law on privatization in the near future and a list of enterprises not subject to privatization approved. If required, the list could be left open for changes to be made at any time. It has been planned that the total number of facilities to be privatized in 1995 will amount to 22,700, including 8,000 medium- and large-sized enterprises. While in 1991-93 privatization was termed bad or good depending on how quickly it was implemented, this year the case looks different—hampering or halting privatization may lead to the country's disintegration.

Belarus

Defense Minister: Disagreements on CIS Defense System

WS1502151395 Minsk BELAPAN in English 1100 GMT 14 Feb 95

[FBIS Transcribed Text] At the February 13 sitting of the Collegium of the Belarusian Ministry of Defense Colonel-General Anatol Kastenka, Minister of Defense of the Republic of Belarus, informed those present of the results of his trip to Almaty as a member of the Belarusian official delegation. He said that at the CIS summit Belarus "kept to its own opinion" which did not coincide completely with the proposals concerning the organization of a single system of anti-aircraft defense of the CIS member-states. The further rapprochement of positions on the matter will be carried out through the CIS Executive Secretariat.

Ministry Describes Fight Against Organized Crime

WS1502151295 Minsk VO SLAVU RODINY in Russian 10 Feb 95 p 1

[Article by Lt. Capt. Andrey Drob: "I Am Afraid If the State 'Is Put On the Needle'"]

[FBIS Translated Text] **As Mark Twain put it, statistics is a third-degree lie. It is, however, very difficult to brush aside the persistent figures, particularly when they apply to the year's work of an entire "syndicate" of Belarusian law enforcement organs. This, but in particular the results of combating crime in 1994, was the subject of a briefing held recently in the press center of the Ministry of Interior. According to the chief of this press center, Lieutenant Colonel V. Vezhnovets, the entire "criminal league" headed by Major General S. Rukhlyadyev, deputy minister of interior and chief of the Main Department of Criminal Militia at the Belarusian Ministry of Interior, came to meet with journalists.**

I must admit, I was most deeply impressed by what was said about drug trafficking. I will therefore begin with this.

"Belarus is still a transit state for transporting drugs," S. Rukhlyadyev said. "The most terrifying thing, however, will be if it becomes a drug consumer, as happened in Poland."

It turns out that drug traffickers have only to feel like putting Belarus "on the needle" to inflict great disasters on us. World experience shows that when spheres of territorial influence are being established, the "needle-therapists" distribute free "opium to the people" during the first eighteen months to two years. Frankly speaking, such prospects for my homeland shook me up.

Sergey Igorevich, however, hastened to calm his audience by saying that so far we are slightly forestalling the development of this problem. Currently, the study of a draft decree establishing an interdepartmental committee to combat drug trafficking is in its final stage. It appears that it will be headed either by the president himself or the prime minister. Our militia, however, remains on the alert. Organs of the Belarusian Interior Ministry detected 1,441 crimes related to illegal drug trafficking in 1994. Instances related to organizing and managing drug dens increased 54 percent, and 693 kilograms of drugs valued at $1 billion were withdrawn from illegal circulation.

The real headache for the law enforcement organs is combating organized crime. While three years ago, militia officers had to provide the authorities with evidence that it existed, now it has become an evident phenomenon and is aspiring to become a structural element in our society. The Belarusian "Cosa Nostra" is seriously applying to participate in the work of the state power structures, and we can say without a shadow of a doubt that criminal groups are ready to put forward their people as candidates for legislative elections. They are already taking part in the political fight.

Organized crime is particularly active in the economic sector. As a rule, it is the commercial banks, insurance companies, big firms, and joint enterprises that are in their sights. Virtually all of them are required to pay financial tribute.

Last year the Department for Combating Organized Crime detected 1,650 crimes, which is 60 percent more than in 1993. These "guardians" of the "golden calf" were deprived of over 5 billion rubles (taking into account the denomination of money).

Today there is virtually not a town or settlement in Belarus where money is not collected for a criminal "fund." Criminal groups nominate so-called "supervisors" from among the criminal "authorities" everywhere, even in city districts and smaller territorial units.

Criminal groups have currently settled in around state enterprises producing goods in high demand. A "scale of payoffs"—ranging from $50 to $100 a month from a kiosk to 10 percent of the total of various shady deals—has been established. (This money, initially based on the cost of the goods pushes prices up, fuels inflation, and is eventually paid not only by the commercial businesses, but by all of society). Such "quitrent" money is used to set up criminal groups and supply them with equipment.

Over 30 criminal groups—numbering from five to 50 members—are under militia control in Minsk alone. The car pool of the Mafia groups comprises some 200 modern foreign vehicles. Criminal bigwigs own dozens of private apartments, numerous restaurants and cafes; they buy gaming houses and real estate. All of them work for a joint criminal "fund."

Car markets, flea markets, and exchange kiosks operate under complete control of criminal groups. It even happens that in some places heads of criminal groups "supervise" the local authorities.

The guardians of the law are making every effort to detain the criminals and make them talk, but the felons do not always get what they deserve. The officers of the interior bodies are being hindered in their work by legal costs. For instance, we still have no classification for racketeering in its pure form. Those who "order the criminal tune" do not participate in the "expropriation of the expropriated," therefore, only the "footsoldiers" of the criminal world are caught in the nets of law enforcement organs. A draft law on combating organized crime was submitted to the Supreme Council back in 1992, but deputies ultimately removed it from the agenda and it has not been adopted to this day.

The spinelessness of our judges is beyond all criticism. This is another extremely acute problem. Only 30 percent of detained racketeers were imprisoned last year. The remainder were given suspended sentences or simply made to pay fines.

It looks like the court officers should emulate our guardians of the law, who established a special subdivision to combat corruption in the interior organs in 1994. After a "purging of the ranks," some 50 militia officers guilty of having links with criminals and assisting them, are currently under investigation.

The criminal situation in the Republic is difficult. It is strongly affected by the consequences of the economic depression, rapid increase in prices, and progressive unemployment stimulating the growth of the crime rate, particularly its profit-seeking and violent variety. This is why an "Appeal by the Collegium of the Ministry of Interior to Belarusian Citizens"—calling on everyone to use every available means to strengthen law and order and establish accord in society—was adopted for the first time in Belarus's history.

Let us not ignore this appeal and think about how we can contribute to this purifying process.

BNF Chairman Warns of Authoritarian Regime

WS1502154895 Minsk BELAPAN in English 1500 GMT 14 Feb 95

[Article by Belarusian Popular Front Chairman Zyanon Paznyak: "Our State Is in Hands of Forces Whose Activity Is Initiated From Kremlin"—from the "Analysis, Commentaries, Forecasts" feature No. 18, 7-14 Feb 95]

[FBIS Transcribed Text] The stability of the state to a considerable extent depends on the intermediate strata of bureaucrats, who as a rule remain neutral to the supreme power. And it is characteristic that now in the Belarusian state this intermediate strata are beginning to change, professionals are being turned out from it and their places are taken by officials close to the President's team. People acting in the interests of their state would never have done that. We are precisely tracing the tendency of the destruction of this milieu.

Why is this happening? Because the task of destroying our state and the system of power as a whole has been established. Such an aim is being pursued and created by the so-called presidential vertical. This is practically the reanimation of the old district committee system of the CPSU, where there was a strict system of subordination. The creation of the presidential vertical contrary to the Constitution and existing laws is being carried out in order to substitute the activity of the already weak Soviets, and actually take control of all functions of power. This is a typical structure of an authoritarian regime and inherent of a police state. Using the fact that executive power would in this way fall into the hands of the President, it would be possible to promulgate legal acts - decrees - and at the same time not carry out laws and resolutions issued by the Supreme Soviet and resolutions by the Constitutional Court, in order to recreate an authoritarian regime in our country.

The mass media are being monopolized by the President's administration. The power structures are being fortified, primarily the Committee for State Security. You will probably hear that the President does not trust the KGB and is dissatisfied with the work of the Committee. This is not because the man is psychologically unstable, although there are certain symptoms of such an infirmity, but because it is essential for him to replace the cadres who are working for the security of the Republic of Belarus. Now these cadres are being replaced with allies of the President.

The Army remains an object for a special policy of the President. As known, since 1991, when the Belarusian Army began to be created on the basis of the former Belarusian military district, it was subject to an unprecedented plundering. Weapons, medical supplies and equipment—all this was turned out and looted into Russia. This was not simply an act of corruption—it was a policy which was not prevented, which was deliberate. I will cite an example. In the Belarusian Army there was ammunition for two million soldiers. Now recruits dress in old threadbare uniforms. There were weapons and ammunition for 40 years of uninterrupted war. Now there are not enough cartridges and shells for those learning how to shoot cannons. After everything had been stolen an actual purification of the army was conducted. All Belarusian officers-patriots were expelled from it. Now the destruction of the Belarusian Army as a state institution is being continued by the transfer of efficient divisions to the authority of the Ministry of Internal Affairs, and they are being assigned to an entirely different function. Forces are being created, capable of fighting the "enemy within".

All these actions, which have a mainly personnel and structural character, are leading to the destruction of statehood, to the undermining of the power forces and the removal of their control from the nation. It is becoming increasingly obvious that our state and our executive power is in fact in the hands of political forces which are initiated from the Kremlin. But today these forces feel that for them much depends on the results of the new parliamentary elections. For the new Supreme Soviet will have the legal right to initiate reform in society, and also to control the actions of the President. There are two ways out for the President's team—either to win the elections and have an obedient Supreme Soviet, or to foil the elections. For they understand that they have no chance of victory in an honest preelection struggle, they do not have their own party, or authority in society. Therefore a new step should be expected from them, including prohibition the BPF [Belarusian Popular Front—BNF] from participating in the elections, or the second alternative, which must not be ruled out. These people are not at all interested that there be a parliament in Belarus. This indifference is initiated from Moscow, because the task that is at hand in Moscow is to absorb our state. No parliament means no state. This is why the elections were set for May 14—the month when the activity of the electorate is at its lowest. Elections to a new parliament will not take place, and the President will dissolve the old Supreme Soviet. This alternative should be anticipated. It is not by chance that on February 9 one of the MPs proposed that in the Supreme Soviet building a hall should be prepared in case parliamentarians are not allowed into the session hall in the House of Government. Incidentally, this proposal was approved without laughter, and the Chairman of the Supreme Soviet Myacheslaw Hryb said that certain steps had already been taken in this direction.

I say this to emphasize once again: The situation is complicated, in the government there are adventurists capable of everything and carrying out the policy of those people who unleashed war on Chechnya. In this situation the current policy of the leadership of Belarus as a result is leading to the international isolation of our country. No one will take such a regime seriously, no one will want to do business with it. But such an isolation will be favorable for the creation of conditions for undemocratic elections. We must prevent this right now, circulate an appeal to international organizations and other countries with the request to send their witnesses to the elections. We must make sure that there are as many foreign observers and commissions as possible.

Moldova

Dniester, Moldovan Leaders Hold Talks in Tiraspol

LD1502205095 Moscow INTERFAX in English 1801 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Closed-door talks are being held in Tiraspol, the capital of the self-proclaimed Transdniestrian Republic on Wednesday [15 February], between Moldovan President Mircea Snegur and Transdniestrian leader Igor Smirnov.

According to sources close to Snegur, Chisinau is determined to ensure that Tiraspol take specific measures to implement the earlier reached agreements on economic cooperation. The agreements envisage, among other things, the joint restoration of bridges across the Dniester, ruined during the armed conflict in 1992, and the reconstruction of the Moldovan electric power plant.

Snegur is also planning to discuss the possibility of drafting a project on Transdniestria's special status.

Dniester Wants Restoration of Economic Ties With Chisinau

LD1502182795 Moscow ITAR-TASS in English 1756 GMT 15 Feb 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau February 15 TASS—The restoration of economic ties between Moldova and its breakaway Dniester region was discussed on Wednesday [15 February] at a meeting of Moldovan President Mircea Snegur and Dniester leader Igor Smirnov, TASS learned from sources in the Dniester capital of Tiraspol. However, the official communique says nothing about any agreements.

The special status of the Dniester region was also discussed. Head of Moldovan experts Nikolay Osmocescu told TASS that a part of the provisions of the document had been already agreed. Disputed issues will be considered at meetings of the Moldovan and Dniester leaders.

The sources in Tiraspol said "special attention was paid to the restoration of economic relations between the two banks of the Dniester river". The talks focused on an agreement on financial settlements on the basis of the Moldovan national currency, on customs and education problems.

However, the joint communique on the meeting says only that the "sides agreed to continue consultations on the special status of the Dniester region, on further work on issues of economic cooperation and other directions of mutual activities".

Kazakhstan

Nazarbayev on CIS, Russian Relations, Ruble Zone

LD1502204495 Moscow INTERFAX in English 1851 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Nursultan Nazarbayev was interviewed by Interfax's Vyacheslav Terekhov.

[Terekhov] What must the minimal and maximal goals be for Commonwealth leaders in 1995? Can the CIS change by the year 2000 into something more viable such as the European Union?

[Nazarbayev] You attend all the CIS summits and so you will have remembered that, following the discussion of my proposal on setting up a Eurasian Union, we agreed on the guidelines of the integration process and made up a schedule of our activities.

An economic union would be a step towards closer integration. The setting up of a customs union by Russia, Belarus and Kazakhstan is the first step in implementing the document signed last year. I am convinced that if we succeed in setting up a genuine customs union of the three countries, remove the barriers, lift the customs duties for transportation of goods across one another's territories, in other words, have a regular market space, all who have doubts will see that this approach works.

I am confident that we have to stay in the framework of economy and reject all political elements that frighten possible partners away by reminiscences of the Soviet Union and the imperial mentality. The transformation of the CIS into a community such as the European Union will take time. Time is needed for large and small countries to feel equal. In the CIS the large ones feel large, the small ones feel small. Nothing like this occurs in Western Europe. Germany, Spain or France do not display their grandeur. I do not wish to point accusing fingers at anybody, especially the Russian leaders but I do not have great expectations for 1995. Everybody is now looking for advantages through bilateral agreements.

[Terekhov] Is the autonomous alliance of the three Central Asian countries a manifestation of this kind of search?

[Nazarbayev] I would like speculations on a political union of Central Asian countries, apart from the CIS, to stop. What we have is a purely economic formation. We said in its charter that we intended to develop regional cooperation. If this proves a success, the overall integration will gain. Such regional unions are very important. Special relations between Russia and Belarus, Russia and Kazakhstan or Kazakhstan and Uzbekistan must be economically beneficial and prove that a common space has to be set up.

[Terekhov] Do you foresee any snags in the partnership and friendship between Russia and Kazakhstan.

[Nazarbayev] The personal relations are very important in the relations between states. I have good working relations with President Boris Yeltsin and Prime Minister Viktor Chernomyrdin. Friendship is, however, known to end where national interests start. I will do my best to improve the mutual understanding and eliminate any mistrust between Kazakhstan and Russia.

The religion and the Turkic roots of the Kazakh language mmight be expected to but do not dictate Kazakhstan's geopolitical strategy on the eve of the 21st century.

Confessional or ethnic factors will not dictate the choice of partners, either. Every country will have to survive in a highly competitive environment. This will be especially difficult for small countries.

This is the reason why continuation of a strategic partnership with Russia is a constant quantity, it is a thoroughly planned policy.

In this context I am surprised by the fact that certain so-called pragmatists do not appreciate the benefits of this partnership for Russia itself.

One example of this is the ouster of Kazakhstan from the ruble zone. I was pressing for Kazakhstan to stay in the ruble zone while Mr. Shokhin and Mr. Fedorov, former Russian deputy prime minister and finance minister, believed that Kazakhstan had to be jettisoned.

Kazakhstan surrendered its financial sovereignty to Russia. Financial sovereignty is everything. I spent days convincing parliament that we had to give up sovereignty and ratify a document on staying in the ruble zone. When I succeeded, enter Shokhin and says that the Russian train is heading for a crash and so why does Kazakhstan want to be wrecked with Russia. He says that Kazakhstan was powerful enough to survive on its own. I ask him if he mocks at me. Who are you, the president or the prime minister, I ask him. He replies: "I respect you greatly is why I came here to tell you this." [as received] After that we had to introduce our own currency on a short notice.

[Terekhov] Do you think that Russia knows it made a mistake then?

[Nazarbayev] I never asked anybody about this. I don't think it does. Why don't you ask this yourself?

Nazarbayev Refutes Criticism on Ties With Russia

LD1502175195 Moscow ITAR-TASS in English 1617 GMT 15 Feb 95

[By ITAR-TASS correspondents Amangeldiy Akhmetalimov and Gennadiy Kulagin]

[FBIS Transcribed Text] Almaty February 15 TASS—Kazakh President Nursultan Nazarbayev brushed off criticism that by seeking closer ties with Russia Kazakhstan is sacrificing its independence and urged politicians to remember the common historic roots and centuries-old friendship between the two peoples.

The republic is entering a new stage of foreign relations, Nazarbayev said as he addressed the Kazakh ambassadors to other countries and heads of ministries and departments in Almaty on Wednesday [15 February].

He pointed out that its policy should be based on the interests of dynamic economic and cultural development of Kazakhstan within the context of radical market reforms and provide for coordination of domestic measures with the country's international obligations.

Analysing Kazakhstan's foreign policy over the last three years since it gained independence, Nazarbayev said that "apart from active contacts with international institutions, the republic continued to develop cooperation with many countries.

"It has been recognised by 111 countries and 92 countries have established diplomatic relations with it. Kazakhstan has opened 18 diplomatic missions abroad. There are 36 foreign embassies and missions and nine offices of international and national organisations in Almaty."

The Kazakh leader said that "relations with Russia and other neighbours remained a top priority."

National Bank Chairman on Fiscal Reforms

LD1502215595 Almaty Kazakhstan Television Network in Russian 1525 GMT 15 Feb 95

[FBIS Translated Text] The National Bank of the republic held a news conference on 15 February.

The National Bank head said that the measures this establishment are to take in 1995 have been approved in the light of the tasks set by the president. Implementation of these tasks will mean that they can be carried out to the letter together with the government.

In answer to questions put by reporters, Bank Chairman Daulet Sembayev told them that President Nazarbayev signed a program on reform of the banking system on Friday [10 February]. He noted that this strategic document, which was agreed by the interested ministries and departments and the republic's association of banks, comprises all the demarcation and areas of functioning and reform of the Central Bank itself and of the secondary banks, as well as for development of financial markets and the payments system. Measures to provide legal reinforcement for these reforms have also been defined.

Sembayev said that the country's principal bank is pursuing, and is determined to pursue, a moderately strict fiscal policy.

In his opinion the inflation process in the country is developing along a fairly predictable curve. In December the rate of inflation was 10.2 percent. In January it fell to 8.9 percent. It is forecast that the rate of inflation will drop further to 3-4 per cent by April.

The National Bank head and his deputies also gave detailed answers to other questions from the reporters.

Zhukeyev on Democratic Order Party Goals

954F1318A Almaty KARAVAN in Russian No 7, 10 Feb 95 p 6

[Interview with Tolegen Zhukeyev, Secretary of the Security Council of Kazakhstan, by Viktor Verk; place and date not given: "We Will Not Struggle for Power for Power's Sake"]

[FBIS Translated Text] [Verk] Tolegen Tlekovich, up to this moment you had evinced no party predilections. And suddenly your signature is beneath the program statement of the Democratic Order Party. What might the reason for this be?

[Zhukeyev] I have no ambitions, nor have I ever had, but activity in the highest power structures led me to the belief that it is today impossible to exercise state policy only by bureaucratic methods. Let us ask: In which direction are the current opposition parties drifting? There are the communists and socialists, whose base ideas are total state regulation with a fair amount of planning and directive administration. Unsubstantiated criticism of the strategic course of the president here. But there is simply no alternative to the market, pluralist democracy, and freedom of speech. Our opposition members, however, are being subjected increasingly to the temptation for the sake of accession to power to speculate on the nostalgia of a certain part of society for the old regime of a "strong hand" and the all-embracing role of the state.

It is extremely necessary today, therefore, to create a party which stands on democratic, market positions and is simultaneously a centrist patriotic force capable of consolidating society.

[Verk] Very well, and how will this party differ from those created earlier? The People's Congress and then the UPUK [Union of People's Unity of Kazakhstan] were once born in the name of those same goals. What is the Democratic Order Party—a UPUK-2?

[Zhukeyev] As far as I know, the UPUK was an attempt to create a mass movement, which has only recently announced its intention to transform itself into a party. The UPUK was conceived of as a movement that could imbibe the reform wing of the Socialist Party or the People's Congress of Kazakhstan, but for various reasons this did not happen.

A more structured organization with a fixed membership, which adopts precise reform positions, is evidently needed today. Otherwise this is not a party but some political cover of an aspiration to power. The ideology of the Democratic Order Party is, as we understand it, a market economic model with the actively reform role of the state institutions and also a democratic society taking account of our political, social, psychological, and ethnic and demographic realities.

[Verk] Will (as in the case of the UPUK) Nursultan Nazarbayev be declared the leader of the PDP [Democratic Order Party]?

[Zhukeyev] No. Prior to us, everyone has invited the president to perform the role of leader. This is not our task. Those who signed this statement are sufficiently independent as personalities and as politicians.

[Verk] How will the party that is being formed be financed? To judge by the names of the signatories, many industrial "generals" have been included for the purpose of the uninterrupted replenishment of the party coffers.

[Zhukeyev] I believe that the party coffers (more properly, cashier's department) will take shape from members' dues and voluntary sponsor donations, within the framework of what is authorized by the law on public organizations.

[Verk] What is your view of the well-known businessmen's statement? Of the polemic surrounding state bilingualism and private ownership of the land? Will the PDP fight for a revision of the constitutional provision that proclaims Kazakhstan "the form of statehood of the self-determined Kazakh nation"?

[Zhukeyev] I have a tolerant view of the viewpoints being expressed in society. As a man and as a politician, I reject extremes. There is an independent state with its own constitution in which a particular social and political consensus and level of political and legal culture characteristic of the modern social consciousness are maintained. Of course, debate, which has a right to exist, is taking place in society. But to subject our opponents to ostracism and to pronounce them "enemies of the nation," virtually.... We had this in 1937. And this did no one any good. At times the views of the "impatient" essentially interface with the so-called "restorers," who have very quickly forgotten what tragedies were brought us by totalitarianism. The base idea today is that of Kazakhstani national patriotism. It is impossible to build a prosperous society in which some people attempt to impinge on others. But, I hope, we will not have this here, thank God.

[Verk] But the preamble to the Constitution begins with the words: "We the people of Kazakhstan...." Do you not see here a contradiction with "form of statehood of the self-determined Kazakh nation"?

[Zhukeyev] This is not a contradiction but, rather, a compromise, which really existed at that time and which exists today. The costs of our perception of the world, characteristic of the initial period of self-determination, are reflected here. And then, I do not understand when it is said that it is this wording that creates some discomfort for non-Kazakhs. It is, ultimately, not actual state policy, merely wording. There are in Kazakhstan no conditions that would allow discrimination against anyone to be realized in practice.

[Verk] Your statement says: "Our leaders will be guided by the interests of the people and the country's future, not avail themselves of the party for their advancement toward the political Olympus." So you renounce what any party proclaims as its main goal—the struggle for power?

[Zhukeyev] I do not much care for this expression—"struggle for power"—generally. Yes, there is a struggle between certain forces—to influence the strategic course of the present authorities. And what does "to struggle for power" mean—for the right "to steer for a while"? If our party can raise a young pleiad of leaders, a new generation of politicians which will head the state of Kazakhstan in the 21st century, this will be our main task. And this is how we differ in principle from other of today's parties, whose leaders see only themselves.

Uzbekistan

President Karimov Previews Trip to Korea

LD1502143795 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 1 Feb 95

[FBIS Translated Excerpt] This morning, President Islam Karimov of the Republic of Uzbekistan left for an official visit to the Republic of Korea. He was seen off at Tashkent Airport by Erkin Khalilov, acting chairman of the Uzbek Supreme Council; Prime Minister Abdulhashim Mutalov; First Deputy Prime Minister Ismail Jorabekov; presidential state advisers Bakhtiyor Ghulomov and Temir Olimov; Qozim Tulyaganov, head of Tashkent city administration; and other officials. And now, dear listeners, here is our correspondent Ghopir Jamolov:

[Jamolov] Good afternoon, dear listeners. If we look at Uzbekistan's foreign policy, we can see that our republic is establishing relations with various countries in the world on a mutually advantageous basis. [passage omitted]

Interviewed before his flight, President Islam Karimov of Uzbekistan said:

[Begin recording] [Karimov] Our aim in visiting Korea is to deepen the relations that are currently taking shape and to raise them to a new level. Last year, in 1994, when Mr. Kim Yong-sam, the newly-elected president of Korea, visited Uzbekistan, we discussed a great number of plans. These plans now have to be followed through to the end. We plan to have meetings not only with the state leaders, with the president and the heads of the government, but above all with entrepreneurs, the heads of major Korean companies, and people who are interested in helping us, and thus to bring state-level and commercial opportunities to Uzbekistan for the establishment of flexible enterprises here that will pay for themselves in a short space of time. I think this visit will raise our relations to a new level and that the two countries will achieve many results in their mutual cooperation.

[Jamolov] Mr. Karimov, can you tell us what documents are scheduled for signing during the visit?

[Karimov] Above all, economic issues, a declaration on deepening and broadening economic relations between South Korea and Uzbekistan, consular agreements, cultural relations, future investment protection and other issues of this kind, and clear projects which will deepen relations. [end recording]

Karimov Passes Resolution on Economic Reform

LD1502204795 Moscow INTERFAX in English 1854 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President of Uzbekistan Islam Karimov has passed a resolution on the implementation of the economic reform in 1995 and on ways of promoting it.

The document says that Uzbekistan is successfully carrying out reforms in the economic and social spheres, shaping a mixed economy. Sixty seven percent of Uzbekistan's enterprises are not controlled by the state, it goes on to say.

At the same time, in individual spheres reforms are approached formally and "some managers do not take proper measures to change the economic mechanism."

In 1995, Uzbekistan will concentrate on privatization, economic and financial stabilization, the strengthening of the national currency and the creation of conditions for dynamic development during the forthcoming years.

On February 14, Karimov also signed a resolution on urgent measures to initiate and stimulate private entrepreneurship. It provides for a simpler procedure of opening bank accounts by private enterprises and eases their access to the material, financial and labor resources, workforce and information.

It allows private organizations to set up subsidiaries. The owner of private property shall have the right to carry out any operations involving his property, including the circulating capital and other valuables, which do not go against the law.

Government Resolution on Economic Plans

LD1502203995 Tashkent NARODNOYE SLOVO in Russian 15 Feb 95 p 1

["Resolution by the Cabinet of Ministers of the Republic of Uzbekistan on the implemenation of economic reforms in 1994 and on the basic areas for deepening them further"]

[FBIS Translated Text] The Cabinet of Ministers notes that in 1994 transformations in the economy and social sphere became deeper, the orientation toward the market took clear shape, and the constitutional, legal, and organizational foundations for market relations were created.

A multistructural economy is being formed, and commodity, labor, capital, and securities markets have started to function. The nonstate sector accounts for 67 percent of all enterprises in the republic, nearly half of the produced social product [net material product] and almost half the people employed in the national economy.

Introduction of the national currency from 1 July 1994 has defined the republic's socioeconomic development strategy for the next few years. Special programs have been developed and are being implemented to ensure a stable exchange rate for the national currency.

As a result of financial and credit support from the state, the fuel and energy industry, light industry, and the food industry have been steadily developing. A considerable volume of the foreign currency of the republic itself and of foreign investment companies and banks has been channeled into developing the principal sectors.

Under conditions of price liberalization, the average monthly inflation rate was halved by the end of the year. The deficit of the adjusted budget of the Republic of Uzbekistan was 3.3 percent of the gross domestic product. Cash emission declined sharply.

There have been positive changes in the structure of the economy. The proportion of consumer end-products has risen from 28.8 to 33.2 percent. Self-sufficiency in food and oil has increased substantially through domestic production of grain and oil. Import volumes of grain, meat, and milk have been substantially reduced in comparison with 1991.

Foreign economic relations have strengthened. Total foreign trade turnover has increased 5.5 percent in comparison with 1993. Economic ties with CIS states have been developed to a new level, and a positive trade balance with these states has been achieved for the first time.

A fundamentally new system of social support for the population is being formed, the extent to which it is focused has increased, and new unified child benefits have been introduced. A package of measures to supply the consumer market with the most important kinds of food and goods has been implemented, and a mechanism is being created to ensure that there are guaranteed reserves of these items.

At the same time, the reform process in some spheres is being pursued only as a formality and is confined to the quantitative side. Some heads of associations, corporations, and local administrations [hakimiyat] are not ensuring proper development and deepening of the processes of denationalization, privatization, active support for enterprise, development of the private sector, and increasing of its role in strengthening the republic's economy. They are not paying proper attention to eliminating the structural disproportions that have grown up, to changing the management mechanism, or to expanding production of competitive, up-to-date output.

The market infrastructure and the property and securities markets have not been developed properly, especially in the Ferghana, Khorezm, and Kashkadaria regions.

New forms of ownership in the agricultural sector are not being developed in any real way. No specific measures are being taken here to deepen the reforms, pursue privatization, form market infrastructures, or develop small and private enterprises capable of employing surplus rural labor.

The Cabinet of Ministers resolves:

1. The deputy prime ministers of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakistan, the heads of region administration and mayor of Tashkent, and the heads of ministries, departments, associations, corporations, and concerns are to conduct a thorough analysis of the results of economic reform in 1994, study the causes of the shortcomings, and plan and implement specific measures to eliminate them.

2. Deepening the privatization process, securing economic and financial stability, strengthening the national currency, and establishing firm foundations on which the republic will be able to develop dynamically in 1996 are to be regarded as the main tasks for 1995.

The priorities and main areas for deepening economic reforms in the Republic of Uzbekistan in 1995 are to be confirmed.

The Cabinet of Ministers' offices, the ministries, government departments, corporations, concerns, associations, the Council of Ministers of the Republic of Karakalpakistan, and the administrations of the regions and of Tashkent city are to ensure unconditional implementation of the above measures.

3. The State Committee for Management of State Property and Support for Enterprise of the Republic of Uzbekistan, together with the ministries and departments concerned, are to submit proposals by 15 March 1995 on:

—establishing interregional offices of stock exchanges and providing them with the necessary infrastructure;

—supporting denationalized and privatized enterprises and private enterprise activity by attracting foreign currency funding from international financial organizations and encouraging the establishment of investment funds.

4. The Ministry of Finance of the Republic of Uzbekistan is to secure increased funding from outside the banking sector to pay for the deficit in the adjusted budget by developing the securities market.

5. The Central Bank of the Republic of Uzbekistan is recommended to:

—implement measures to increase the volume of credit resources made available through credit auctions to 25 percent by the end of the first quarter of 1995 and to 50 percent by the end of the second quarter of 1995;

—introduce monthly adjustments of the refinancing rate to take the inflation rate into account from the first quarter of 1995.

6. The State Committee for Forecasts and Statistics, the Ministry of Finance, the Ministry of Foreign Economic Relations, the Central Bank of the Republic of Uzbekistan, and the National Bank for Foreign Economic Activity of the Republic of Uzbekistan, together with the ministries and departments concerned, are to prepare and submit the following to the Cabinet of Ministers:

—by 20 February 1995: a draft investment program for the republic for 1995;

—in the first quarter of this year: a draft program on implementing investment projects with the involvement of foreign capital.

7. Uzoptbirzhetorg [wholesale trade organization], concerns, corporations, and associations, the Council of Ministers of the Republic of Karakalpakistan, and the heads of administration in the regions and in Tashkent city are to ensure that a network of small wholesale shops selling items for production and technical purposes are set up in the regions during the first quarter of this year.

8. The heads of ministries, departments, associations, corporations and concerns, together with the Ministry of Foreign Economic Relations and the State Committee for Forecast and Statistics of the Republic of Uzbekistan, are to submit proposals within one month on how to promote growth in the volume of production (and work and services) export for 1995.

9. First Deputy Prime Minister Ismail Jorabekov, the Ministry of Agriculture, Uzselkhozsnabremont [agricultural machinery supplies/repairs], the State Committee for Forecasts and Statistics, and the Uzbek Academy of Agricultural Sciences are to submit a draft resolution by the Cabinet of Ministers by 1 March 1995 on deepening the reforms in agriculture and increasing their effectiveness, paying particular attention to the development of peasant (private farming) enterprises, to the development of new organizational forms of managing agricultural production, and to the comprehensive expansion of rural market infrastructure and services.

10. With the aim of removing obstacles to the implementation of economic reforms, the Ministry of Justice of the

Republic of Uzbekistan is to ensure systematic supervision and submit timely proposals on changing the existing legislative acts and regulatory documents.

11. Supervision over the implementation of this resolution is to rest with the deputy prime ministers of the Republic of Uzbekistan.

[Signed] Islam Karimov, chairman of the Cabinet of Ministers,

Tashkent, 14 February 1995

Government Orders Help for Private Businesses

LD1502214895 Tashkent NARODNOYE SLOVO in Russian 15 Feb 95 p1

[FBIS Translated Text]

Resolution of the Cabinet Ministers on urgent measures to initiate and encourage private entrepreneurship.

In implementation of the decree of the president on initiating and encouraging private enterprise of 5 January 1995, the Cabinet of Ministers resolves:

1. A draft plan of measures to execute the provisions of the decree of the President is to be approved.

2. The Regulations on Private Enterprise in the Republic of Uzbekistan (as appended) are to be approved.

3. Commercial banks of the republic are recommended to open current accounts for private enterprise organizations within three days, on receiving applications and registration certificates from them.

4. The Uzoptbirzhetorg [wholesale exchange] association, in conjunction with ministries, departments, concerns, associations and corporations, is to ensure that entrepreneurs involved in manufacturing are sold (on application) raw materials and commodities produced by enterprises in the republic; these sales are to be conducted principally via a permanent fair, the Republican Commodity and Raw Materials Exchange, and the other intermediary wholesale organizations of Uzoptbirzhetorg.

5. Authorized banks in Uzbekistan are to be allowed to accept freely convertible currency in cash form from non-residents in payment for contracts, goods and services.

6. The Council of Ministers of the Republic of Karakalpakistan and the heads of administrations in the regions, towns, and districts are to render comprehensive assistance in developing local branches of the Fund for the Development of Small and Medium-Sized Business, to give them the accommodation they need by either lease or sale, and to create appropriate conditions for them to function effectively.

7. The Tashkent city administration is to allocate the building of the former Sverdlov Concert Hall, located at No.10 Pravda Vostoka Street to house the republican property and stock exchanges.

The State Committee for the Management of State Property and Support for Enterprise and the Uzvodstroy state concern are to complete the reconstruction of the above building.

8. The Regulations on Private Enterprise in the Republic of Uzbekistan approved by resolution of the Cabinet of Ministers of 26th February 1992 are to be deemed null and void.

9. Supervision over the fulfilment of this resolution is to rest with the relevant deputy prime ministers of Uzbekistan.

[Signed] Islam Karimov, chairman of the Cabinet of Ministers

[Issued] Tashkent, 14 February 1995

Armenia

Minsk Group Cochairmen Confirm Karabakh's Rights at Talks

NC1502212795 Yerevan SNARK in English 1609 GMT 15 Feb 95

[FBIS Transcribed Text] Yerevan, February 15 (SNARK)—"The right of Nagorno-Karabakh to participate in negotiations as a party enjoying equal rights have been determined quite accurate. This circumstance was confirmed for several times by co-Chairmen of Minsk Group OSCE [Organization on Security and Cooperation in Europe] during non-official consultations of the Minsk group held in Moscow from February 6 to 12 with participation of NKR [Nagorno-Karabakh Republic], Azerbaijan and Armenia representatives." This was informed today at the briefing by a head of the Armenian Foreign Affairs Ministry press service, Aram Safarian, in response to SNARK reporter on attitude of mediators towards Azeri stance, which doesn't accept NKR as a party of the conflict, and thus prevents the process of negotiations.

In Safarian's opinion, on this level of negotiations the deadlock situation hardly can be talked about. These are working talks, where confirmation of the parties' stance is underway, and which may be, and will be continued, said he. He considers, it is not probable that any sanctions will be applied to Azerbaijan.

Bulgarian Government Delegation Ends Visit

NC1502205595 Yerevan SNARK in English 1411 GMT 15 Feb 95

[FBIS Transcribed Text] Yerevan, February 15 (SNARK)—The visit of Bulgarian governmental delegation to Armenia has been over. In a course of a three-day visit Bulgarian experts, representing Ministries of Foreign Affairs, Finances, Economy, Agriculture and Justice, confirmed a package of documents with Armenian colleagues, aiming strengthening and development of Armenian-Bulgarian relations.

As a head of Armenian Foreign Ministry's press service, Aram Safarian, announced at a briefing today, signing of documents will take place during the visit [remainder of item not received]

Prime Minister Discusses Projects, Opportunities

NC1502155995 Yerevan SNARK in English 1611 GMT 15 Feb 95

[FBIS Transcribed Text] Yerevan, 14 February (SNARK)—1994 was the year of recognition of Armenian reforms by the world community, as well as growth of Armenia's authority, said the Prime Minister Hrand Bagratian at a press conference today. Economic leaders have demonstrated how one can reach positive results in conditions of "semi-war" and blockade, by decentralization of economy and refusal from administrative control methods, he said. Armenia has more or less balanced budget since September, on account of increased output, 22-23% higher export and tough financial and credit policy, stated Mr. Bagratian. As a result, a shift towards well-being is observed among the population, while the wages and income growth exceeds the inflation rate.

Touching on investment programs, the Prime Minister informed of three big projects acting presently in Armenia: Hrazdan Thermal Plant reconstruction, earthquake zone recovery, and "Hayastan" Fund activity. This year the investments will expand, he said, and real ground will be created for attraction of big capitals. Bagratian noted specially that talks on losing technological skill by the Armenian economy, during these years, are groundless. The industry is mastering new technologies and making its way to the foreign market. However, he admitted that machine industry, leather works and shoe-making industry remain in a hard state.

The most acute problem of Armenian economy Hrand Bagratian called the non-payments, reaching today 40 billion drams. The situation may be relieved only by active privatization of facilities, and development of funds market.

When asked by the SNARK correspondent about the results of recent Almaty summit of CIS leaders, Mr. Bagratian gave a restrained answer. "It is difficult to unite the poor", he observed, and didn't reveal much optimism of future.

Doubts Prospects for CIS Customs Union

NC1502152895 Yerevan NOYAN TAPAN in English 0748 GMT 15 Feb 95

[FBIS Transcribed Text] 14/02/95 NOYAN TAPAN—At the February 14 press conference the Armenian Prime Minister Hrand Bagratian said that Armenia pursues an extremely liberal customs policy as compared with the other countries of the world. He considers that customs barriers will not save from economic slump and the best example of this are CIS member-states, where the economic decline still going on despite the absence of blockades or energy crisis. Bagratian pointed out that Armenia have certain reservations, concerning the future CIS Customs Union, considering that such a Union, if it is established at all, should pursue the liberal customs policy.

According to Prime Minister, CIS is establishing itself with difficulty, "since it is difficult to establish a union of the poor". In Bagratian's opinion Armenia should rely on its own strength so that to make progress.

Views Economic Growth, Currency Stabilization

NC1502152695 Yerevan NOYAN TAPAN in English 1605 GMT 14 Feb 95

[FBIS Transcribed Text] 14/02/95 NOYAN TAPAN—In 1994 Armenia appeared to be the single among CIS member-states, where the economic growth was observed over 1994. Reporting about this at the February 14 press conference, the Armenian Prime Minister Hrand Bagratian expressed regret over this fact, since those countries are Armenia's partners and prosperity in their economy would evidently promote to the prosperity of Armenia.

According to Hrand Bagratian, stabilization of dram rate attained in 1994 was the result of three factors: a) a slight growth of industrial output has been reached, b) significant (by 23 percent) growth of exports, c) transition of all payments for exports through banks. If in 1993 banks dealt with only 10 percent of all export banking operations, currently this index increased to 60 percent. Also in 1994 a tax system started establishing in Armenia and this process is expected to be completed in late 1995. Prime Minister characterized the passed year as the year of speedy economic reforms. He especially pointed out to the quick implementation of the program for privatization of 20 percent of state-owned enterprises' property. This process due to come to an end in late February.

Since December 1994 the government has passed to a new economic program. The increase in bread price entailed the average increase in prices by 60 percent. However, in January the average growth of price index constituted only 3.9 percent instead of 15 percent. In 1994 for the first time after 1990 an economic growth was registered. The increase in salaries significantly exceeded the growth of prices (19-fold and 11-fold respectively). The policy of decentralization in the economy brought its results. Formation of the customs system was fully completed.

Great structural changes also took place in the industrial sphere. Many of industrial enterprises started manufacturing new production, including that based on the original high technologies. The growth of national revenue in 1994 was 4.3 percent, the growth of the used national revenue constituted 12 percent, the growth of industrial output—6.9 percent. The Armenian military complex, which earlier had been deprived of the greater part of its orders for well-known reasons, currently has restored some of them. According to the Armenian Prime Minister, the extensive way of developing National Army is "the old story". It is necessary to establish enterprises, which will work for defensive purposes. Five new enterprises have been already established, 3 of them are of defensive importance.

Hrand Bagratian voiced concern over the situation in motor-car construction, machine engineering, wine-making, etc.

In 1994 energy production constituted 89 percent of the 1993 volume.

Details Economic Reform's Progress

NC1502150895 Yerevan NOYAN TAPAN in English 1524 GMT 14 Feb 95

[FBIS Transcribed Text] 15/11/95 NOYAN TAPAN—Two phases of the economic reforms have been already passed in Armenia. This mainly concerns changes in structure of economic establishments and changes in the forms of property (in particular, soon over 90 percent of state-owned enterprises will be transformed into private ones). At present the third stage of the economic reforms is to be implemented, that is the attraction of investments into the economy. This was reported by the Armenian Prime Minister Hrand Bagratian at the February 14 press conference. According to Bagratian, the flow of investments is very insignificant and the Government takes measures to create favorable conditions for them in the Republic. To this end the Government started investing in different spheres of economy. Currently, three significant sources of financing are existing: 1. Credits for the construction of the fifth block of the Hrazdan Hydroelectric Power Plant; 2. Credits for the restoration of the earthquake zone; and 3. Investments by the All- Armenian "Hayastan" Fund.

In 1995 six more credits are expected. At present negotiations on extension of eight credits are being held. According to Prime Minister, investments is the powerful tool for social changes, since due to the realization of credits new work places are created.

Hrand Bagratian pointed out, that the Government of the Republic of Armenia was granted "a confidence credit" by the international financial and economic organizations. In late 1994 Armenia was rendered huge financial assistance. Moreover, the Government has reached a preliminary agreement with the international financial organizations, which provides for discussion of not separate projects of credits, but planning and granting of interconnected credits in prospect.

Bagratian maintains that in 1995 the volume of private investments will also increase.

Bagratian: Gas Pipeline Repair Not To Boost Power Supply

NC1502171895 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0838 GMT 15 Feb 95

[FBIS Transcribed Text] Yerevan ("Azg" daily), 02/15/95—RA [Republic of Armenia] Prime Minister Hrand Bagratian said that the consequences of the explosion on the pipe-line will be eliminated today, and the flow of natural gas to Armenia will resume.

He added that this doesn't mean, though, that any changes will be made to the schedule of power supply to the population. Prime Minister said that the Government is aware about measures taken by "Armenergo" enterprise, but it will not interfere since, according to the present legislation, this is a legal right of the organization. "They demand to receive payments from the population to the extent of compensation, they received in December. We do not expect 100 percent payments from any building or district, and we do not demand this, since we understand that there are socially insecure lawyers, who are not able to pay".

At the same time he added that it is not acceptable to cut the power supply of complete districts, or to take measures, violating human rights. Mr. Bagratian believes that those who pay for power should not suffer because of those who have not paid.

Bagratian Says Nuclear Power Plant To Reopen 'Soon'

NC1502165895 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0738 GMT 15 Feb 95

[FBIS Transcribed Text] Yerevan ("Azg" daily), 02/15/95—"I will mention no concrete terms of reopening the nuclear power plant, simply because I don't want to", declared Armenian Prime Minister Hrand Bagratian at a press conference yesterday, responding to our question whether opening of the plant will precede the elections to the parliament.

Prime minister only said, "power plant will reopen soon". He added it is not important whether this will happen before or after elections, since this is in no way related with them.

Speaking on the energy policy he said, that with increasing the volume of supplied natural gas, government simultaneously decreased the volume of water, drained from the Lake Sevan. Instead of 120 mln. cu. m. [million cubic meters] of water, used last year, only 50 mln. cu. m. were used during the same period of this year. He said that today the level of the lake is 18 cm lower than the lowest level. Thus, regardless gas flow, 2.7 times less water will be drained in 1995, compared with 1993. Then, the level of the lake will only start increasing in 1996.

With opening the nuclear power plant, which will coincide with irrigation season, the Government will be able to supply electric power to the population for 10-12 hours per day for four-five months. With the end of irrigation season, when less water is to be drained from the lake, and the supply of electric power will decrease to six-seven hours per day. By next winter, if water from the reservoirs will be used together with the nuclear plant, the population will get 8-10 hours of electric power.

Azerbaijan

Azerbaijani Delegation's Visit to Iran Reported

NC1502142195 Baku Radio Baku Network in Azeri 1700 GMT 14 Feb 95

[FBIS Translated Text] In compliance with President Heydar Aliyev's instructions, a delegation headed by Deputy Prime Minister and Minister of Economy Panakh Sadykov has left Azerbaijan on an official visit to Iran. The delegation will hold talks on the further improvement of the bilateral trade and economic relations between Azerbaijan and Iran, the supply of provisions and [word indistinct] to the Nakhichevan Autonomous Republic [NAR], which is under a blockade, the construction of natural gas pipelines to that Republic, and other matters. The members of the delegation will hold talks with the leading officials of several ministries and [word indistinct] in Iran.

Prime Minister of NAR Shemsettin Khanbabayev, Chairman of the Azerenergy State Company Muslim Imanov, and Chairman of the Azergas State Company [name indistinct] Huseynov accompanied the delegation.

Aliyev Establishes Fund To Support Education

NC1502213695 Baku Radio Baku Network in Azeri 0450 GMT 15 Feb 95

[Text of decree by President Heydar Aliyev, dated 14 February—read by announcer]

[FBIS Translated Text] Azerbaijan achieved its independence only recently. Considering the need to resolve the social and economic problems in the educational field, strengthen the material and technical basis of education, meet its needs, and encourage the people to support that field in light of the existing financial problems, I have decided the following:

1. An educational development fund will be established under the jurisdiction of the Republic's president.

2. Some 10 billion manats will be transferred as an exceptional and one-time allocation from the presidential reserve fund to the educational development fund.

3. Head of the Azerbaijan Presidential Executive Office Ramiz Mehtiyev is instructed to draw up the fund's draft rules and plans for the structure of its administrative body and submit them to the president in 10 days.

4. Considering the importance of education in the development of the people and the state, the republic's government and private establishments and organizations and the Republic's citizens, including those who live abroad, are encouraged to make moral, material, and technical contributions to the fund to the extent of their abilities.

[Signed] Heydar Aliyev, president of Azerbaijan.

Estonia

Riigikogu's Resolution To Give Chechnya 'Moral Support'

LD1502223695 Moscow INTERFAX in English 1931 GMT 15 Feb 95

[FBIS Transcribed Text] KIEV, Feb 15 (Interfax-Ukraine)—Estonian Foreign Minister Juri Luik said on Wednesday [15 February] the purpose of a pro-Chechen resolution passed by the Estonian parliament on February 13 was to give "moral support" to the Chechen people.

Luik, currently in Ukraine as a member of an Estonian government delegation led by prime Minister Andres Tarand, told Interfax - Ukraine the tone of the resolution was "fairly reserved and diplomatic." As for a proposal it made for recognizing the breakaway Russian republic, that was advised to be done "if the international situation allows it," the minister said.

The Estonian parliament's position has nothing to do with Dudayev's supposed personal contacts with Estonia, Luik continued (the Chechen leader was stationed in the then Soviet republic as commander of a Soviet air force unit). "Dudayev was in Estonia as a Soviet commander, and was not particularly liked," Luik said.

"Our main concern are violent and very gross violations of human rights which are happening in Chechnya before our very eyes," he said.

Tarand: Chechnya Recognition Unlikely

LD1502205395 Moscow INTERFAX in English 1801 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Prime Minister Andres Tarand said Estonia was unlikely to recognize Chechnya in the immediate future.

Tarand told a news conference on Tuesday [14 February] that parliament passed a resolution the day before which recommended that the government recognize the Chechen Republic "as soon as this becomes possible and as soon as the international situation allows it."

"But now there is no such possibility," the premier said. Everything depends on what position other countries take, he explained. "By itself, our small Estonia can't make any breakthrough here," he said.

Tarand denied accusations by Moscow that Estonia is interfering in Russia's internal affairs. "Human rights violations in that country are not its internal matter," he said. "I can't see what threat our criticism... Can pose to Russia," he added.

The Russian Foreign Ministry has branded the Estonian parliament's resolution as "provocative." "The Estonian parliamentarians, demonstrating complete disregard for the fundamental principles of the Organization for Security and Cooperation in Europe, the Council of Europe, and the Russo- Estonian treaty on principles for relations between the two states have embarked on a path of open interference in the internal affairs of the Russian Federation," reads the statement, delivered to a news briefing on Tuesday by the ministry's official spokesman, Grigoriy Karasin.

"The statement (the resolution) is qualified in Moscow as an encouragement for separatist initiatives in Russia and as an attempt to undermine the foundations of Russian statehood. This step by the Estonian parliament is bound to have extremely negative consequences for Russo-Estonian relations. All responsibility for this must be borne by the Estonian side," the statement continues.

"Moscow expects that these irresponsible actions by Tallinn will meet with an appropriate reaction on the part of the world community and relevant international organizations," it says.

Meanwhile, the chairman of the Estonian parliament's Foreign Affairs Commission, Vello Saatpalu, rejected similar charges made by Russian Foreign Minister Andrey Kozyrev. "If the head of the Foreign Ministry of the Russian Federation is displeased with us, he should also be displeased with his State Duma (lower parliament house)," which "has repeatedly proposed that the federal government immediately declare a moratorium on hostilities in Chechnya and start negotiations," Saatpalu said in an interview with Interfax. "If our Russian counterparts consider the war in Chechnya senseless we may also criticize actions which run against the OSCE [Organization for Security and Confidence in Europe] code of conduct."

"Estonia is in no way interfering in Russian affairs and respects the territorial integrity of the Russian Federation and the Estonian-Russian treaty of 1991 on principles for mutual relations. What can be qualified as interference is the rendering of assistance to one of the warring sides. But Estonia will never sink as low as that," Saatpalu said.

Dudayev Welcomes Estonian Parliament's Support

LD1502135395 Tallinn Radio Tallinn Network in Estonian 1300 GMT 15 Feb 95

[FBIS Translated Excerpt] Chechen President Dzhokhar Dudayev views the statement by the Estonian Riigikogu in support of Chechnya as a bold step. In an exclusive interview with POSTIMEES and with the Baltic News Service, Dudayev said that he understood what it would mean to Estonia to recognize Chechnya.

On Monday [13 February] the Riigikogu approved a statement in support of the Chechen people's self-determination. In the statement, the Riigikogu voiced a resolute protest against the continued Russian military interference in Chechnya and recommended that the government recognize the independence of Chechnya at the first possible opportunity when the international situation permits it to do so.

Dudayev stated that Chechnya does not demand that anyone should recognize their independence because it knows what such a step would cost. Commenting on developments in the Chechen conflict over recent days, Dudayev said that he doubts that the talks between the Russian and Chechen representatives will be fruitful.

The Russian Foreign Ministry views the Estonian statement as provocative and has voiced the hope that international organizations will react to Tallinn's irresponsible behavior in a suitable manner. [passage omitted]

Agreement With Russia on Legal Assistance

LD1602105495 Tallinn Radio Tallinn Network in Estonian 0700 GMT 16 Feb 95

[FBIS Translated Text] At the Estonian Foreign Ministry, the Republic of Estonia and the Russian Federation will be exchanging ratification letters for the agreement on mutual legal assistance and judicial relations. On behalf of Estonia, the letter of ratification will be handed over by Indrek Tarand, the Foreign Ministry's chancellor, and on behalf of Russia, by Ambassador Aleksandr Trofimov.

The agreement deals with investigations carried out on the territory of the other country, and arrest and mutual extradition of criminals. Under civil law, the agreement deals with different spheres of family law and ensures that decisions of civil courts are mutually recognized and carried out. The agreement also regulates issues to do with prison procedure. The decisions of one country may be enforced in the other country.

The Estonian-Russian agreement on legal assistance and judicial relations will come into force on 19 March.

Pact Signed on Investment Protection, Rail Transport

LD1602102895 Tallinn Radio Tallinn Network in Estonian 0700 GMT 16 Feb 95

[FBIS Translated Excerpt] Prime Minister Andres Tarand, Foreign Minister Juri Luik, Reform Minister Liia Hanni, and Economics Minister Toivo Jurgenson [name and title as heard] are on a visit to Ukraine. During their visit, an agreement on mutual protection of investments, legal assistance and railway transport was signed yesterday. [passage omitted]

Riga Warned on Tightening of Border Controls

LD1502205695 Moscow INTERFAX in English 1801 GMT 15 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Estonia has warned Latvia that it may tighten the control of the border between the two countries.

The Estonian president's office issued a report on Tuesday [14 February] which says that the country's Migration and Border Protection departments were concerned about Latvia's steps to make the crossing of its borders with Russia, Lithuania and Belarus easier.

Such practice "rules out" a planned visa union between Estonia, Latvia and Lithuania, the report warns.

The report, which came after telephone conversations between the Latvian, Lithuanian and Estonian presidents, Guntis Ulmanis, Algirdas Brazauskas and Lennart Meri, says the three leaders paid the main attention to ways to step up cooperation between the three countries and speed up their integration with the European Union. They decided that it was acceptable for each of the Baltic countries to use its own tactics in negotiating with the EU but that they should take the same position in security matters. One of the priorities here is for the three states to strengthen the protection of their borders to meet EU standards, the report says.

The three presidents agreed to convene for the next session of the Presidents' Council in Tallinn in the autumn.

Parliament Adopts Law on Controls of State Assets

LD1502175095 Tallinn Radio Tallinn Network in Estonian 1700 GMT 15 Feb 95

[FBIS Translated Text] The Riigikogu adopted the law on state assets today. It determines who administers state assets and the basis for this administration. Fifty-three MP's voted in favor of the law and two abstained.

Under the law, the following administer state assets: the Riigikogu, the president, the State Control, the justice chancellor, the State Court, ministries, district governments, and the State Chancellery. The Bank of Estonia administers and uses the state assets at its disposal under the law on the Bank of Estonia, but its use and administration of property comes under the law on state assets.

Latvia

Swedish Parliamentary Delegation Continues Visit

LD1502151395 Riga Radio Riga Network in Latvian 1400 GMT 15 Feb 95

[FBIS Translated Text] A Swedish parliamentary delegation, led by its Speaker Birgitta Dahl, is continuing its visit to Latvia. Issues of Latvian internal policy and integration into Europe were discussed at a meeting with the heads of the parliamentary groups.

Latvian Way group leader Andrejs Pantelejevs stressed that the Baltic states must first achieve mutual agreement—closer regional cooperation with member states of the Nordic Council would be the next step. The Latvian parties, the majority of which have not yet found their place in the country's political spectrum, and therefore are far from the traditional party system which exists in the countries with an old democratic tradition, would also have to become more European.

Participants in the meeting also discussed the situation of the needy in these times of rapid economic changes. Its improvement is a matter of time. However, the state also has to accept responsibility for the fate of pensioners and the unemployed.

During a meeting with members of the Saeima commission on state and local administration, the Riksdag speaker discussed the reform of state administration, relations between the state and local governments in Latvia, and the drafting of anti-corruption bills in the Saeima. The Swedish speaker said that the staff of civil establishments and parliament in Sweden have such renumeration that it makes them financially independent. In addition, officials are subject to public and media control.

Dahl Meets Prime Minister, President

LD1502193695 Riga Radio Riga Network in Latvian 1800 GMT 15 Feb 95

[FBIS Translated Excerpt] A delegation from the parliament of the Kingdom of Sweden, headed by its Speaker Birgitta Dahl, is continuing its visit to Latvia. [passage omitted]

Prime Minister Maris Gailis asked Birgitta Dahl, speaker of the Swedish parliament, for Sweden's support for Latvia's admission to the Organization for Economic Cooperation and Development. The possibility of cooperation between parliamentarians of the two states in making Latvian legislation conform with requirements of the European organizations was discussed at the meeting. Gailis and Dahl also discussed cooperation between Sweden and Latvia in fighting illegal immigration. The prime minister told the speaker about the issues discussed and the decisions made at this week's session of the Baltic Council of Ministers, as well as about the recent opening of the training center of the Baltic peacekeeping battalion at Adazi.

The Swedish parliamentary speaker also visited Latvian State President Guntis Ulmanis. She congratulated the president on Latvia's admission to the Council of Europe and wished him further success in joining major international organizations. [passage omitted]

Involvement in PFP Step Toward Joining NATO

LD1502171795 Riga Radio Riga Network in Latvian 1400 GMT 15 Feb 95

[FBIS Translated Text] Lieutenant General Joergen Lyng, the chief of Danish Defense Forces, today ended his official visit to our country. The general stressed at a news conference that Latvia's involvement in the NATO program Partnership for Peace [PFP] was a step on the road toward joining NATO. The creation of the Baltic peacekeeping battalion [Baltbat], as a result of which soldiers of the Baltic states will obtain military experience and practical skills that will NATO criteria, will also promote the process of coming closer to NATO. The Baltbat will be a unit that will be able to carry out tasks entrusted to it when it takes part in peacekeeping operations in the world. A contest will have to be held to be able to serve in this battalion.

1,000 Russian Military Pensioners Face Expulsion

LD1502174995 Riga Radio Riga Network in Latvian 1600 GMT 15 Feb 95

[FBIS Translated Text] On 16 February, approximately 1,000 of the Russian military personnel who were discharged in Latvia after 28 January 1992, will become illegal immigrants and will face the possibility of expulsion from the country, because the deadline set by the Cabinet of Ministers, by which the above-mentioned persons will have to register with the Citizenship and Immigration Department and obtain stay permits thus legalizing their presence in Latvia, expires today. Documents for the expulsion of such persons are not being drawn up yet. However, if the government does not extend this period or does not make some other decision, the structures of the Ministry of Internal Affairs will have the right to expel such persons from the country. By the beginning of this week, 669 military personnel had registered.

President, Latvia's Way Board Discuss Election Campaign

WS1502152595 Riga LABRIT in Latvian 7 Feb 95 p 2

[Report by Inara Egle: "Ulmanis and 'Latvia's Way' Mutually Discuss the Forthcoming Elections"]

[FBIS Translated Text] Last evening, a consecutive meeting of the "Latvia's Way" board took place, to which President Ulmanis was also invited. The president spent two hours discussing the current situation in the state and the forthcoming elections with the board members.

After the meeting, Valdis Birkavs, chairman of the party, informed journalists about the discussion and its main topics.

According to Birkavs, the views of the president and the board members on the elections coincided in principle. There was mutual agreement that the election campaign should be carried out peacefully, without abuses, and that cooperation among political parties should be encouraged by any means.

Guntis Ulmanis told the reporters: "The president should remain above this campaign, and predict the situation in advance, because after the elections, he will have to appoint a new prime minister." He also stated that during the election campaign, pains should be taken not to destabilize the economic situation in Latvia.

The party will begin preparations for the elections six months ahead of the election date. During this period, the reforms, which are being introduced in the field of economy, might be endangered. Such a situation should be avoided, because it could affect voter activity, i.e. activity might decline.

Ulmanis expressed the opinion that everything should be done to stimulate participation of citizens in the elections. "I will not press my views on any of the parties, and I will not interfere in their internal problems," the president said.

Birkavs was pleased that the president plans to stabilize the situation in the country during the election period.

The president also plans to meet with representatives of other political parties. On Thursday, a similar meeting is scheduled with the Latvian Farmers Union.

Lithuania

Danish Defense Chief Arrives for Talks

LD1502140095 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 15 Feb 95

[FBIS Translated Text] Lt.-Gen. Jeorgens Lyng, Danish chief of defense, has arrived in Lithuania on a two day visit. This is his second visit to Lithuania. His first visit took place in the autumn of 1992.

The Danish delegation is currently visiting the headquarters of the Lithuanian Army. Tomorrow Lt-Gen Lyng will meet National Defense Minister Linas Linkevicius, the daily DIENA writes.

Brazauskas Proud of Positive Changes on Independence Day

LD1602091295 Vilnius Radio Vilnius in English in Lithuanian 2230 GMT 15 Feb 95

[FBIS Translated Text] On 15 February at the Vilnius Opera and Ballet Theater a commemoration of the 77th anniversary of Independence Day was held. President Algirdas Brazauskas said that the signatories of the 11 March restoration of Lithuania's independence act could only do so because in the nation's hearts were the most precious [indistinct word] preserved: the spirit of the independence act of 16 February.

Brazauskas spoke about positive changes we are most proud of and also about the negatives we must change. Before our eyes we can see maturing initiatives, creativity, the necessity of private property, and self-reliance. However, we see crimes on an organized level and defiance of law and government's efforts to protect citizens and to suppress criminals. He added everything has not been done yet to protect citizens' rights properly, as there is still corruption.

President Brazauskas described Lithuania's participation in international agreements. He also found it symbolic that on the respective independence days the three flags of the Baltic states are raised in Vilnius, Riga, and Tallinn.

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